



United Mexican States

U.S. \$2,555,196,000 3.750% Global Notes due 2028

U.S. \$645,274,000 4.600% Global Notes due 2048

The 3.750% Global Notes due 2028 (the “2028 notes”) will mature on January 11, 2028. The 4.600% Global Notes due 2048 (the “2048 notes”) will mature on February 10, 2048. We refer to the 2028 notes and the 2048 notes collectively as the “notes.” Mexico will pay interest on the 2028 notes on January 11 and July 11 of each year, commencing July 11, 2018. Mexico will pay interest on the 2048 notes on February 10 and August 10 of each year, commencing February 10, 2018. Mexico may redeem the notes, in whole or in part, before maturity, at par plus the Make-Whole Amount and accrued interest, as described herein. The notes will not be entitled to the benefit of any sinking fund. The offering of the 2028 notes and the offering of the 2048 notes, each pursuant to this prospectus supplement, are not contingent upon one another.

The 2048 notes will be consolidated and form a single series with, and be fungible with, the outstanding U.S. \$1,880,000,000 4.600% Global Notes due 2048 (CUSIP: 91087B AD2, ISIN US91087BAD29) previously issued by Mexico.

The notes will be issued under an indenture, and each of the 2028 notes and the 2048 notes constitutes a separate series under the indenture. The indenture contains provisions regarding future modifications to the terms of the notes that differ from those applicable to Mexico’s outstanding public external indebtedness issued prior to November 10, 2014. Under these provisions, which are described beginning on page 17 of the accompanying prospectus dated March 10, 2016, Mexico may amend the payment provisions of the notes and other reserved matters listed in the indenture with the consent of the holders of: (1) with respect to a single series of notes, more than 75% of the aggregate principal amount of the outstanding notes of such series; (2) with respect to two or more series of notes, if certain “uniformly applicable” requirements are met, more than 75% of the aggregate principal amount of the outstanding notes of all series affected by the proposed modification, taken in the aggregate; or (3) with respect to two or more series of notes, more than 66 2/3% of the aggregate principal amount of the outstanding notes of all series affected by the proposed modification, taken in the aggregate, and more than 50% of the aggregate principal amount of the outstanding notes of each series affected by the proposed modification, taken individually.

The outstanding 2048 notes have been listed on the Luxembourg Stock Exchange. Application has been made to list the 2028 notes and the new 2048 notes on the Luxembourg Stock Exchange and to have the notes admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

Neither the Securities and Exchange Commission (“SEC”) nor any other regulatory body has approved or disapproved of these securities or determined whether this prospectus supplement or the related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The notes have not been and will not be registered with the National Securities Registry maintained by the Mexican National Banking and Securities Commission (“CNBV”), and therefore may not be offered or sold publicly in Mexico. The notes may be offered or sold to qualified and institutional investors in Mexico, pursuant to the private placement exemption set forth under Article 8 of the Mexican Securities Market Law. As required under the Mexican Securities Market Law, Mexico will give notice to the CNBV of the offering of the notes under the terms set forth herein. Such notice will be submitted to the CNBV to comply with the Mexican Securities Market Law, and for informational purposes only. The delivery to, and receipt by, the CNBV of such notice does not certify the solvency of Mexico, the investment quality of the notes, or that the information contained in this prospectus supplement, the prospectus supplement or the prospectus is accurate or complete. Mexico has prepared this prospectus supplement and is solely responsible for its content, and the CNBV has not reviewed or authorized such content.

	Price to Public ⁽¹⁾	Underwriting Discounts	Proceeds to Mexico, before expenses ⁽¹⁾
Per 2028 note	99.571%	0.170%	99.401%
Total for the 2028 notes	U.S. \$2,544,234,209.16	U.S. \$4,343,833.20	U.S. \$2,539,890,375.96
Per 2048 note	98.493%	0.190%	98.303%
Total for the 2048 notes	U.S. \$635,549,720.82	U.S. \$1,226,020.60	U.S. \$634,323,700.22

(1) Plus accrued interest, if any, from January 11, 2018 for the 2028 notes and October 10, 2017 for the 2048 notes to, but excluding, the date of settlement, which was January 11, 2018. The amount of accrued interest on the 2048 notes from October 10, 2017 to January 11, 2018 is \$7,503,102.68.

The notes were delivered in book-entry form only through the facilities of The Depository Trust Company (“DTC”), the Euroclear System (“Euroclear”) and Clearstream Banking, *société anonyme*, Luxembourg (“Clearstream, Luxembourg”) against payment on January 11, 2018.

Joint Bookrunners

BBVA

BofA Merrill Lynch

J.P. Morgan

January 23, 2018

This prospectus supplement and the attached prospectus dated March 10, 2016 shall constitute a prospectus for the purpose of the Luxembourg Law dated 10 July 2005 on Prospectus for Securities, as amended.

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Mexico is a foreign sovereign state. Consequently, it may be difficult for investors to obtain or realize upon judgments of courts in the United States against Mexico. See “Risk Factors” in the accompanying prospectus.

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement supplements the accompanying prospectus dated March 10, 2016, relating to Mexico's debt securities and warrants. If the information in this prospectus supplement differs from the information contained in the prospectus, you should rely on the information in this prospectus supplement.

You should read this prospectus supplement along with the accompanying prospectus. Both documents contain information you should consider when making your investment decision. Mexico is responsible for the information contained and incorporated by reference in this prospectus and in any related free-writing prospectus or prospectus supplement that Mexico prepares or authorizes. Mexico has not authorized anyone else to provide you with any other information and takes no responsibility for any other information that others may give you. Mexico and the underwriters are offering to sell the notes and seeking offers to buy the notes only in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus is current only as of the dates of this prospectus supplement and the accompanying prospectus, respectively.

Mexico is furnishing this prospectus supplement and the accompanying prospectus solely for use by prospective investors in connection with their consideration of a purchase of the notes. Mexico confirms that:

- the information contained in this prospectus supplement and the accompanying prospectus is true and correct in all material respects and is not misleading;
- it has not omitted other facts the omission of which makes this prospectus supplement and the accompanying prospectus as a whole misleading; and
- it accepts responsibility for the information it has provided in this prospectus supplement and the accompanying prospectus.

This prospectus supplement does not constitute an offer to sell or the solicitation of an offer to buy any notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this prospectus supplement and the offer or sale of notes may be restricted by law in certain jurisdictions. Mexico and the underwriters do not represent that this prospectus supplement may be lawfully distributed, or that any notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by Mexico or the underwriters which would permit a public offering of the notes or distribution of this prospectus supplement in any jurisdiction where action for that purpose is required. Accordingly, no notes may be offered or sold, directly or indirectly, and neither this prospectus supplement nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the underwriters have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this prospectus supplement comes are required by Mexico and the underwriters to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this prospectus supplement and the offer or sale of notes in Belgium, Canada, Chile, Colombia, Denmark, the European Economic Area, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, Norway, Peru, Singapore, Spain, Switzerland, the United Kingdom and Uruguay, see the section entitled "Plan of Distribution" in this prospectus supplement and in the accompanying prospectus.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

FORWARD-LOOKING STATEMENTS

This prospectus supplement may contain forward-looking statements. Statements that are not historical facts, including statements about Mexico's beliefs and expectations, are forward-looking statements. 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, and Mexico undertakes no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. Mexico 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 high international interest rates, low oil prices and recession or low growth in Mexico's trading partners. High international interest rates could increase Mexico's expenditures, low oil prices could decrease the Mexican Government's revenues and recession or low growth in Mexico's main trading partners could lead to fewer exports. A combination of these factors could negatively affect Mexico's current account.
- Instability or volatility in the international financial markets. This could lead to domestic volatility, making it more complicated for the Mexican Government to achieve its macroeconomic goals. This could also lead to declines in foreign investment inflows, portfolio investment in particular.
- Adverse domestic factors, such as domestic inflation, high domestic interest rates, exchange rate volatility and political uncertainty. Each of these could lead to lower growth in Mexico, declines in foreign direct and portfolio investment and potentially lower international reserves.

USE OF PROCEEDS

The net proceeds to Mexico from the sale of the notes will be approximately U.S. \$3,173,964,076.18, after the deduction of the underwriting discount and Mexico's share of the expenses in connection with the sale of the notes, which are estimated to be approximately U.S. \$250,000. Mexico intends to use the net proceeds of the sale of the notes, (i) in part, for refinancing, repurchase or retirement of domestic and/or external indebtedness of Mexico from time to time, including to pay the purchase price for certain outstanding notes of Mexico, which Mexico may purchase pursuant to a tender offer (the "Tender Offer"), on the terms and subject to the conditions set forth in the offer to purchase, dated January 3, 2018 (the "Offer to Purchase") and, (ii) in part, for the general purposes of the Government of Mexico. The underwriters of this offering are acting as joint dealer managers for the Tender Offer. None of the underwriters shall have any responsibility for the application of the net proceeds of the notes.

SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. It does not contain all the information that you should consider before investing in the notes. You should carefully read this entire prospectus supplement.

Issuer	The United Mexican States
Aggregate Principal Amount	For the 2028 notes: U.S. \$2,555,196,000 For the 2048 notes: U.S. \$645,274,000
Issue Price	For the 2028 notes: 99.571%, plus accrued interest, if any, from January 11, 2018 For the 2048 notes: 98.493%, plus accrued interest, if any, from October 10, 2017
Issue Date	For the 2028 notes: January 11, 2018 For the 2048 notes: January 11, 2018
Maturity Date	For the 2028 notes: January 11, 2028 For the 2048 notes: February 10, 2048
Specified Currency	U.S. dollars (U.S. \$)
Authorized Denominations	U.S. \$200,000 and integral multiples of U.S. \$1,000 in excess thereof
Fungibility	The 2048 notes will be consolidated and form a single series with, and be fungible with, the outstanding \$1,880,000,000 4.600% Global Notes due 2048 (CUSIP: 91087B AD2, ISIN US91087BAD29) previously issued by Mexico.
Form	Registered; Book-Entry through the facilities of DTC, Euroclear and Clearstream, Luxembourg
Interest Rate	For the 2028 notes: 3.750% per annum, accruing from January 11, 2018 For the 2048 notes: 4.600% per annum, accruing from October 10, 2017
Interest Payment Date	For the 2028 notes: Semi-annually on January 11 and July 11 of each year, commencing on July 11, 2018 For the 2048 notes: Semi-annually on February 10 and August 10 of each year, commencing on February 10, 2018

Regular Record Date

For the 2028 notes: January 5 and July 5 of each year

For the 2048 notes: February 4 and August 4 of each year

Status

The notes will constitute direct, general, unconditional and unsubordinated public external indebtedness of Mexico for which the full faith and credit of Mexico is pledged. The notes of each series rank and will rank without any preference among themselves and equally with all other unsubordinated public external indebtedness of Mexico. It is understood that this provision shall not be construed so as to require Mexico to make payments under the notes ratably with payments being made under any other public external indebtedness.

Optional Redemption

With respect to each series of notes, Mexico will have the right at its option, upon giving not less than 30 days' nor more than 60 days' notice, to redeem the notes of such series, in whole or in part, at any time or from time to time prior to their maturity, at a redemption price equal to the principal amount thereof, plus the Make-Whole Amount (as defined below), plus interest accrued but not paid on the principal amount of such notes to the date of redemption.

"Make-Whole Amount" means the excess of (i) the sum of the present values of each remaining scheduled payment of principal and interest on the notes to be redeemed (exclusive of interest accrued but not paid to the date of redemption), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus (a) in the case of the 2028 notes, 20 basis points or (b) in the case of the 2048 notes, 30 basis points, over (ii) the principal amount of such notes.

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

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker (as defined below) as having an actual or interpolated maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of investment grade debt securities of a comparable maturity to the remaining term of such notes.

“Independent Investment Banker” means one of the Reference Treasury Dealers (as defined below) appointed by Mexico.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation (as defined below) or (ii) if Mexico obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Reference Treasury Dealer” means (a) with respect to the 2028 notes, each of J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated or their affiliates which are primary United States government securities dealers and their respective successors, and three other Primary Treasury Dealers (as defined below) selected by Mexico and (b) with respect to the 2048 notes, each of Goldman Sachs & Co. LLC, HSBC Securities (USA) Inc. and Morgan Stanley & Co. LLC or their affiliates which are primary United States government securities dealers and their respective successors, and two other Primary Treasury Dealers (as defined below) selected by Mexico; *provided* that if any of the foregoing shall cease to be a primary United States government securities dealer in the City of New York (a “Primary Treasury Dealer”), Mexico will substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by Mexico, of the bid and ask prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to Mexico by such Reference Treasury Dealer at 3:30 p.m., New York time on the third business day preceding such redemption date.

Optional Repayment

Holders of the notes will not have the option to elect repayment by Mexico before the maturity dates of the notes.

Underwriters

BBVA Securities Inc.
J.P. Morgan Securities LLC
Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Purchase Price

For the 2028 notes: 99.401%, plus accrued interest, if any, from January 11, 2018

For the 2048 notes: 98.303%, plus accrued interest from October 10, 2017

Method of Payment	Wire transfer of immediately available funds to an account designated by Mexico.
Listing	The outstanding 2048 notes have been listed on the Luxembourg Stock Exchange. Application has been made to list the 2028 notes and the new 2048 notes on the Luxembourg Stock Exchange and to have the notes admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.
Securities Codes	
CUSIP:	For the 2028 notes: 91087B AE0 For the 2048 notes: 91087B AD2
ISIN:	For the 2028 notes: US91087BAE02 For the 2048 notes: US91087BAD29
Common Code:	For the 2028 notes: 174885273 For the 2048 notes: 169660867
Trustee, Principal Paying Agent, Transfer Agent and Registrar	Deutsche Bank Trust Company Americas
Luxembourg Listing Agent	Banque Internationale à Luxembourg S.A.
Withholding Taxes and Additional Amounts	Subject to certain exceptions, Mexico will make all payments on the notes without withholding or deducting any Mexican taxes. For further information, see “Description of the Securities—Additional Amounts” in the accompanying prospectus.
Taxation	<p>Mexico expects that the 2048 notes will be treated as issued in a “qualified reopening” for U.S. federal income tax purposes and, accordingly, the 2048 notes will be fungible with the \$1,880,000,000 4.600% Global Notes due 2048 previously issued by Mexico. The 2048 notes issued pursuant to this offering generally will be treated as having premium. For further information, see the discussion set forth under the heading “Taxation—United States Federal Taxation” in this preliminary prospectus supplement.</p> <p>Payments of principal or interest under the 2048 notes made to holders of such notes that are non-resident of Mexico, will not be subject to Mexican withholding taxes.</p>
Further Issues	Mexico may from time to time, without the consent of holders of the 2028 notes or the 2048 notes, as the case may be, create and issue notes of such series having the same terms and conditions as the applicable series of notes offered pursuant to this prospectus supplement in all respects, except for the issue date,

issue price and, if applicable, the first payment of interest thereon; *provided, however*, that any such additional 2028 notes and 2048 notes shall be issued either in a “qualified reopening” for U.S. federal income tax purposes or with no more than *de minimis* original issue discount for U.S. federal income tax purposes. Additional 2028 notes and 2048 notes issued in this manner will be consolidated with, and will form a single series with, any other outstanding notes of such series.

Payment of Principal and Interest

Principal of and interest on the notes will be payable by Mexico to the Principal Paying Agent in U.S. dollars.

Governing Law

New York; *provided, however*, that all matters governing Mexico’s authorization and execution of the indenture and the notes will be governed by and construed in accordance with the law of Mexico. Notwithstanding any authorization or any reserved matter modification, all matters related to the consent of holders and to modifications of the indenture or the notes will always be governed by and construed in accordance with the law of the State of New York.

Additional Provisions

The notes will contain provisions regarding future modifications to their terms that differ from those applicable to Mexico’s outstanding public external indebtedness issued prior to November 10, 2014. Those provisions are described beginning on page 17 of the accompanying prospectus dated March 10, 2016.

Conflicts of Interest

As described in the “Use of Proceeds,” some of the net proceeds of this offering may be used to fund our purchase of certain outstanding notes of Mexico from time to time. An affiliate of BBVA Securities Inc., J.P. Morgan Securities LLC or Merrill Lynch, Pierce, Fenner & Smith Incorporated may be a holder of certain of the outstanding notes of Mexico as set forth in the Offer to Purchase and may receive 5% or more of the proceeds from this offering. Because of the manner in which the net proceeds are being used, this offering will be conducted in accordance with Financial Industry Regulatory Authority (“FINRA”) Rule 5121.

Stabilization

In connection with issues of notes, the underwriters or any person acting for the underwriters may over-allot or effect transactions with a view to supporting the market price of notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there is no obligation of any of the underwriters or any agent of the underwriters to do this. Any such stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

DESCRIPTION OF THE NOTES

Mexico will issue the notes under an amended and restated indenture, dated as of June 1, 2015, between Mexico and Deutsche Bank Trust Company Americas, as trustee. The information contained in this section summarizes some of the terms of the notes and the indenture. This summary does not contain all of the information that may be important to you as a potential investor in the notes. You should read the prospectus, the indenture and the form of the notes before making your investment decision. Mexico has filed or will file copies of these documents with the SEC and will also file copies of these documents at the offices of the trustee.

Terms of the 2028 Notes

The notes:

- were issued on January 11, 2018 in an aggregate principal amount of U.S. \$2,555,196,000;
- will mature on January 11, 2028;
- will be redeemable at maturity at a redemption price equal to the principal amount of the notes, plus interest accrued but not paid on the principal amount of such notes to the date of maturity;
- will bear interest at a rate of 3.750% per year, commencing on January 11, 2018 and ending on the maturity date. Interest on the notes will be payable semi-annually on January 11 and July 11 of each year, commencing on July 11, 2018;
- will pay interest to the persons in whose names the notes are registered at the close of business on January 5 and July 5 preceding each payment date;
- constitute direct, general, unconditional and unsubordinated external indebtedness of Mexico for which the full faith and credit of Mexico is pledged;
- rank without any preference among themselves and equally with all other unsubordinated public external indebtedness of Mexico (it being understood that this provision shall not be construed so as to require Mexico to make payments under the notes ratably with payments being made under any other public external indebtedness);
- are represented by one or more global securities in book-entry, registered form only;
- were delivered in book-entry form only through the facilities of DTC, Euroclear and Clearstream, Luxembourg;
- will be redeemable before maturity at the option of Mexico upon giving not less than 30 days' nor more than 60 days' notice, to redeem the notes, in whole or in part, at any time or from time to time prior to their maturity, at a redemption price equal to the principal amount thereof, plus the Make-Whole Amount, plus interest accrued but not paid on the principal amount of such notes to the date of redemption;
- will not be repayable before maturity; and

- contain “collective action clauses” under which Mexico may amend certain key terms of the notes, including the maturity date, interest rate and other terms, with the consent of less than all of the holders of the notes.

Terms of the 2048 Notes

The notes:

- were issued on or about January 11, 2018 in an aggregate principal amount of U.S. \$645,274,000;
- will mature on February 10, 2048;
- will be redeemable at maturity at a redemption price equal to the principal amount of the notes, plus interest accrued but not paid on the principal amount of such notes to the date of maturity;
- will bear interest at a rate of 4.600% per year, commencing on October 10, 2017 and ending on the maturity date. Interest on the notes will be payable semi-annually on February 10 and August 10 of each year, commencing on February 10, 2018;
- will pay interest to the persons in whose names the notes are registered at the close of business on February 4 and August 4 preceding each payment date;
- be consolidated and form a single series with, and be fungible with, the outstanding \$1,880,000,000 4.600% Global Notes due 2048 (CUSIP: 91087B AD2, ISIN US91087BAD29) previously issued by Mexico.
- constitute direct, general, unconditional and unsubordinated external indebtedness of Mexico for which the full faith and credit of Mexico is pledged;
- rank without any preference among themselves and equally with all other unsubordinated public external indebtedness of Mexico (it being understood that this provision shall not be construed so as to require Mexico to make payments under the notes ratably with payments being made under any other public external indebtedness);
- are represented by one or more global securities in book-entry, registered form only;
- were delivered in book-entry form only through the facilities of DTC, Euroclear and Clearstream, Luxembourg;
- will be redeemable before maturity at the option of Mexico upon giving not less than 30 days’ nor more than 60 days’ notice, to redeem the notes, in whole or in part, at any time or from time to time prior to their maturity, at a redemption price equal to the principal amount thereof, plus the Make-Whole Amount, plus interest accrued but not paid on the principal amount of such notes to the date of redemption;
- will not be repayable before maturity; and

- contain “collective action clauses” under which Mexico may amend certain key terms of the notes, including the maturity date, interest rate and other terms, with the consent of less than all of the holders of the notes.

For more information, see “*Description of the Securities – Debt Securities*” in the accompanying prospectus.

RECENT DEVELOPMENTS

The information in this section supplements the information about Mexico corresponding to the headings below that is contained in Exhibit D to Mexico's annual report on Form 18-K, as amended, for the fiscal year ended December 31, 2016 (the 2016 Form 18-K). To the extent that the information included in this section differs from the information set forth in the 2016 Form 18-K, you should rely on the information in this section.

UNITED MEXICAN STATES

Form of Government

On November 27, 2017, José Antonio González Anaya was appointed as the Secretary of Finance and Public Credit by President Enrique Peña Nieto, after José Antonio Meade Kuribreña resigned in order to run for President of Mexico in the elections that will take place on July 1st, 2018. Mr. González Anaya comes to this post from his prior position as General Director of *Petróleos Mexicanos* (PEMEX), which he held since February 2016.

Legal and Political Reforms

Procurement Process of the Administración Pública

On November 8, 2017, the *Secretaría de Hacienda y Crédito Público* (Ministry of Finance and Public Credit), the *Secretaría de la Función Pública* (Ministry of Public Administration) and the *Coordinación de Estrategia Digital Nacional* (National Digital Strategy Coordination), in collaboration with the *Instituto Nacional de Transparencia* (National Institute of Transparency), *Acceso a la Información y Protección de Datos Personales* (Access to Information and Protection of Personal Data), *Transparencia Mexicana* (Mexican Transparency), the World Bank, the Open Contracting Partnership and the Global Initiative for Fiscal Transparency, launched the Government's *Contrataciones Abiertas* (Open Contracting Platform). This platform includes data from all stages of the procurement process of the *Administración Pública Centralizada* (Centralized Public Administration). Its goal is to generate shared benefits for all sectors by cutting off potential corruption, producing more confidence in private sector providers and increasing trust in institutions.

THE ECONOMY

Gross Domestic Product

The following tables set forth Mexico's real Gross Domestic Product (GDP) and expenditures, in constant 2013 pesos and in percentage terms, for the periods indicated. Quarterly GDP data has been multiplied by four to be stated on an annualized basis. Quarterly real GDP data for the period presented is not necessarily indicative of performance for the full fiscal year.

Table No. 1 – Real GDP and Expenditures
(in Billions of Pesos)⁽³⁾

	Third quarter (annualized) ⁽²⁾	
	2016 ⁽¹⁾	2017 ⁽¹⁾
GDP	Ps. 17,561.7	Ps. 17,945.2
Add: Imports of goods and services	6,021.2	6,393.8
Total supply of goods and services	23,582.9	24,339.0
Less: Exports of goods and services	5,991.5	6,249.4
Total goods and services available for domestic expenditure	Ps. 17,591.4	Ps. 18,089.6
Allocation of total goods and services:		
Private consumption	11,652.6	12,017.1
Public consumption	2,113.5	2,119.6
Total consumption	13,766.0	14,136.7
Total gross fixed investment	3,726.9	3,677.1
Changes in inventory	184.1	162.2
Total domestic expenditures	Ps. 17,677.0	Ps. 17,976.0
Errors and Omissions	85.6	(113.6)

Note: Numbers may not total due to rounding.

(1) Preliminary figures.

(2) Annualized. Actual third quarter data has been annualized by multiplying it by four. It is provided for comparison purposes only and is not necessarily indicative of performance for the full fiscal year.

(3) Constant pesos with purchasing power as of December 31, 2013.

Source: INEGI.

Table No. 2 – Real GDP and Expenditures
(As a Percentage of Total GDP)⁽³⁾

	Third quarter (annualized) ⁽²⁾	
	2016 ⁽¹⁾	2017 ⁽¹⁾
GDP	100.0%	100.0%
Add: Imports of goods and services	34.3%	35.6%
Total supply of goods and services	134.3%	135.6%
Less: Exports of goods and services	34.1%	34.8%
Total goods and services available for domestic expenditures..	100.2%	100.8%
Allocation of total goods and services:		
Private consumption	66.4%	67.0%
Public consumption	12.0%	11.8%
Total consumption	78.4%	78.8%
Total gross fixed investment	21.2%	20.5%
Changes in inventory	1.0%	0.9%
Total domestic expenditures	100.7%	100.2%
Errors and Omissions	0.5%	(0.6%)

Note: Numbers may not total due to rounding.

(1) Preliminary figures.

(2) Annualized. Actual third quarter data has been annualized by multiplying it by four. It is provided for comparison purposes only and is not necessarily indicative of performance for the full fiscal year.

(3) Constant pesos with purchasing power as of December 31, 2013.

Source: INEGI.

The following tables set forth the composition of Mexico's real GDP by economic sector and percentage change by economic sector, in constant 2013 pesos and in percentage terms, for the periods indicated. Quarterly GDP data has been multiplied by four to be stated on an annualized basis. Quarterly real GDP data for the period presented is not necessarily indicative of performance for the full fiscal year.

**Table No. 3 – Real GDP by Sector
(In Billions of Pesos)⁽³⁾**

	Third quarter (annualized)⁽²⁾	
	2016⁽¹⁾	2017⁽¹⁾
Primary Activities:		
Agriculture, forestry, fishing, hunting and livestock ⁽⁴⁾	Ps. 525.6	Ps. 537.2
Secondary Activities:		
Mining	1,053.4	947.3
Utilities	269.1	268.2
Construction	1,282.0	1,266.9
Manufacturing	2,781.3	2,874.7
Tertiary Activities:		
Wholesale and retail trade	2,977.0	3,071.7
Transportation and warehousing	1,115.9	1,151.3
Information	453.4	484.7
Finance and insurance	777.1	846.8
Real estate, rental and leasing	1,967.8	2,015.6
Professional, scientific and technical services	345.1	350.2
Management of companies and enterprises	101.5	103.7
Support for Business	594.2	626.4
Education services	670.6	669.7
Health care and social assistance	375.1	385.1
Arts, entertainment and recreation	77.3	79.7
Accommodation and food services	392.0	408.6
Other services (except public administration)	360.5	363.9
Public administration	694.8	697.4
Gross value added at basic values	16,813.7	17,149.0
Taxes on products, net of subsidies	748.0	796.2
GDP	Ps. 17,561.7	Ps. 17,945.2

Note: Numbers may not total due to rounding.

(1) Preliminary figures.

(2) Annualized. Actual third quarter data has been annualized by multiplying it by four. It is provided for comparison purposes only and is not necessarily indicative of performance for the full fiscal year.

(3) Based on GDP calculated in constant pesos with purchasing power as of December 31, 2013.

(4) GDP figures relating to agricultural production set forth in this table and elsewhere herein are based on figures for "agricultural years," with the definition of the relevant "agricultural year" varying from crop to crop based on the season during which it is grown. Calendar year figures are used for the other components of GDP.

Source: INEGI.

**Table No. 4 - Real GDP Growth by Sector
(Percent Change Against Prior Year)⁽¹⁾**

	Third quarter (annualized)⁽³⁾	
	2016⁽²⁾	2017⁽²⁾
GDP (constant 2013 prices).....	2.8%	2.2%
Primary Activities:		
Agriculture, forestry, fishing, hunting and livestock ⁽⁴⁾	3.1%	2.2%
Secondary Activities:		
Mining.....	(3.1%)	(10.1%)
Utilities.....	0.4%	(0.3%)
Construction.....	1.9%	(1.2%)
Manufacturing.....	1.3%	3.4%
Tertiary Activities:		
Wholesale and retail trade.....	1.9%	3.2%
Transportation and warehousing.....	3.1%	3.2%
Information	20.2%	6.9%
Finance and insurance.....	12.8%	9.0%
Real estate, rental and leasing	2.0%	2.4%
Professional, scientific and technical services	8.4%	1.5%
Management of companies and enterprises	0.7%	2.2%
Administrative support, waste management and remediation services	3.6%	5.4%
Education services.....	1.3%	(0.1%)
Health care and social assistance	2.5%	2.7%
Arts, entertainment and recreation	4.8%	3.1%
Accommodation and food services	3.7%	4.2%
Other services (except public administration).....	2.9%	0.9%
Public administration	(0.5%)	0.4%

Note: Numbers may not total due to rounding.

(1) Based on GDP calculated in constant pesos with purchasing power as of December 31, 2013.

(2) Preliminary figures.

(3) Annualized. Actual third quarter data has been annualized by multiplying it by four. It is provided for comparison purposes only and is not necessarily indicative of performance for the full fiscal year.

(4) GDP figures relating to agricultural production set forth in this table and elsewhere herein are based on figures for “agricultural years,” with the definition of the relevant “agricultural year” varying from crop to crop based on the season during which it is grown. Calendar year figures are used for the other components of GDP.

Source: INEGI.

According to preliminary figures, Mexico’s GDP increased by 2.2% in real terms during the first nine months of 2017, compared to the same period of 2016. This increase reflects increases in both primary and tertiary activities which compensated for a decrease in secondary activities.

Employment and Labor

According to preliminary *Tasa de Desocupación Abierta* (open unemployment rate) figures, Mexico’s unemployment rate was 3.6% as of September 30, 2017, a 0.1 percentage point increase from the rate registered on December 31, 2016. As of September 30, 2017, the economically active population in Mexico fifteen years of age and older consisted of 54.4 million individuals.

The new minimum wage of Ps. 88.36 per day, as set by the *Comisión Nacional de los Salarios Mínimos* (National Minimum Wage Commission) on November 21, 2017, went into effect on December 1, 2017 and was applied uniformly across Mexico.

Principal Sectors of the Economy

Manufacturing

The following table shows the value of industrial manufacturing output in constant 2013 pesos and the percent change against the corresponding period of the prior year for the periods indicated.

Table No. 5 - Industrial Manufacturing Output by Sector⁽¹⁾

	Third quarter			
	2016 ⁽²⁾		2017 ⁽²⁾	
Food	Ps. 628.3	2.2%	Ps. 640.4	1.9%
Beverage and tobacco products ...	156.5	8.1%	159.4	1.9%
Textile mills	26.5	0.1%	26.5	0.1%
Textile product mills	14.8	5.0%	12.7	(14.1%)
Apparel.....	58.2	(0.4%)	58.3	0.3%
Leather and allied products	23.5	(0.2%)	23.1	(1.8%)
Wood products	24.5	(5.4%)	26.2	7.0%
Paper.....	49.9	4.1%	51.3	2.7%
Printing and related support activities	18.3	2.8%	17.9	(2.0%)
Petroleum and coal products	62.9	(9.1%)	52.6	(16.3%)
Chemicals.....	253.5	(2.7%)	247.4	(2.4%)
Plastics and rubber products.....	75.9	(1.0%)	79.2	4.3%
Nonmetallic mineral products	74.2	2.7%	73.4	(1.0%)
Primary metals	182.1	(0.2%)	184.0	1.0%
Fabricated metal products	96.9	0.3%	98.8	1.9%
Machinery	119.6	0.8%	130.8	9.4%
Computers and electronic products	222.4	6.6%	240.0	7.9%
Electrical equipment, appliances and components.....	87.9	4.2%	89.7	2.1%
Transportation equipment.....	517.3	0.3%	573.2	10.8%
Furniture and related products.....	30.7	(3.5%)	28.9	(5.7%)
Miscellaneous.....	57.4	3.9%	60.8	5.8%
Total	Ps. 2,781.3	1.3%	Ps. 2,874.7	3.4%

(1) In billions of constant pesos with purchasing power as of December 31, 2013 and percent change against corresponding period of prior year. Percent change reflects differential in constant 2013 pesos.

(2) Preliminary figures.

Source: INEGI

FINANCIAL SYSTEM

Monetary Policy, Inflation and Interest Rates

Monetary Policy

Mr. Agustín Guillermo Carstens Carstens stepped down as Governor of the five-member *Junta de Gobierno* (Board of Governors) of *Banco de México* on November 30, 2017. Alejandro Díaz de León was appointed as successor Governor of *Banco de México* by the President on November 28, 2017 and began serving on December 1, 2017.

Money Supply and Financial Savings

The following table shows Mexico's M1 and M4 money supply aggregates at each of the dates indicated. The methodology for the calculation of Mexico's M1 and M4 money supply is discussed in "Financial System—Monetary Policy, Inflation and Interest Rates—Money Supply and Financial Savings" in the 2016 Form 18-K.

Table No. 6 - Money Supply

	September 30,	
	2016	2017 ⁽¹⁾
	(in millions of nominal pesos)	
M1:		
Bills and coins.....	Ps. 1,125,626	Ps. 1,227,837
Checking deposits		
In domestic currency	1,298,241	1,448,144
In foreign currency	411,950	516,892
Interest-bearing peso deposits	640,099	651,458
Savings and loan deposits	16,048	18,908
Total M1	Ps. 3,491,965	Ps. 3,863,239
M4	Ps. 14,733,505	Ps. 15,830,848

Note: Numbers may not total due to rounding.

(1) Preliminary figures.

Source: Banco de México.

Inflation

Consumer inflation for the first nine months of 2017 was 5.9%, which was above the 3.0% (+/- 1.0%) target inflation for the year and 3.1 percentage points higher than the 2.8% consumer inflation for 2016. This was mainly a combined result of the adjustment of energy prices, particularly the liberalization of gasoline prices, exchange rate changes, higher agricultural prices and the increase in the minimum wage.

The following table shows, in percentage terms, the changes in price indices and annual increases in the minimum wage for the periods indicated. For additional information on Mexico's minimum wage policy, see "The Economy—Employment and Labor."

Table No. 7 – Rates of Change in Price Indices

	National Producer Price Index⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	National Consumer Price Index⁽¹⁾⁽⁵⁾	Increase in Minimum Wage
2015	2.9	2.7	6.9
2016	5.7	2.8	4.2
2017			
January	9.8	4.7	9.6
February	9.5	4.9	-
March	9.4	5.4	-
April	8.7	5.8	-
May	8.1	6.2	-
June	6.7	6.3	-
July	5.9	6.4	-
August	5.6	6.7	-
September	4.5	6.3	-
October	5.3	6.4	-
November	5.2	6.6	-
December ⁽⁶⁾	-	-	10.4

(1) For annual figures, changes in price indices are calculated each December.

(2) National Producer Price Index figures represent the changes in the prices for basic merchandise and services (excluding oil prices). The index is based on a methodology implemented in June 2012.

(3) Preliminary figures for 2016-2017.

(4) National Producer Price Index takes June 2012 as a base date.

(5) National Consumer Price Index takes the second half of December 2010 as a base date.

(6) December 2017 National Producer Price Index and National Consumer Price Index figures not available.

Sources: INEGI; Ministry of Labor.

Interest Rates

The following table sets forth the average interest rates per annum on 28-day and 91-day interest rate accrued on *Certificados de la Tesorería de la Federación* (Federal Treasury Certificates, or *Cetes*), the *costo porcentual promedio* (the average weighted cost of term deposits for commercial banks, or CPP) and the 28-day and 91-day *tasa de interés interbancaria de equilibrio* (the equilibrium interbank interest rate, or THIE) for the periods indicated.

Table No. 8 - Average Cetes, CPP and THIE Rates

	28-Day Cetes	91-Day Cetes	CPP	28-Day THIE	91-Day THIE
2015:					
January-June	2.9	3.0	2.2	3.3	3.3
July-December	3.1	3.2	2.1	3.3	3.4
2016:					
January-June	3.6	3.8	2.4	3.9	4.0
July-December	4.7	4.9	2.9	5.0	5.1
2017:					
January	5.8	6.3	3.6	6.1	6.3
February	6.1	6.4	3.7	6.4	6.6
March	6.3	6.6	3.9	6.6	6.8
April	6.5	6.7	4.1	6.9	6.9
May	6.6	6.8	4.2	7.0	7.0
June	6.8	7.1	4.3	7.2	7.3
July	7.0	7.1	4.3	7.4	7.4
August	6.9	7.1	4.5	7.4	7.4
September	7.0	7.1	4.5	7.4	7.4
October	7.0	7.1	4.6	7.4	7.4
November	7.0	7.1	4.7	7.4	7.4
December ⁽¹⁾	7.2	7.3	4.6	7.5	7.6

(1) Figures as of December 28, 2017.

Source: Banco de México.

During the first nine months of 2017, interest rates on 28-day *Cetes* averaged 6.6%, as compared to 3.8% during the same period of 2016. Interest rates on 91-day *Cetes* averaged 6.8%, as compared to 4.0% during the same period of 2016.

On December 28, 2017, the 28-day *Cetes* rate was 7.22% and the 91-day *Cetes* rate was 7.36%.

On March 28, 2017, Banco de México transferred its operating surplus for fiscal year 2016 of Ps. 321.7 billion to the Government. In accordance with the *Ley Federal de Presupuesto y Responsabilidad Hacendaria* (Federal Law of Budget and Fiscal Accountability), the Government must apply 70% of this operating surplus amount, equivalent to Ps. 225.2 billion, to amortize debt or to reduce outstanding indebtedness. During 2017, Banco de México's operating surplus was used as follows: Ps. 139.2 billion in repurchase transactions, Ps. 11.5 billion to reduce the amount previously planned to be auctioned and Ps. 74.5 billion to eliminate additional external market debt. As of November 16, 2017, no amount remained from Banco de México's operating surplus for fiscal year 2016.

Exchange Controls and Foreign Exchange Rates

Foreign Exchange Policy

The foreign exchange market mechanism consisting of non-deliverable forward auctions implemented by the Foreign Exchange Commission on March 6, 2017, as further described in “Financial System—Exchange Controls and Foreign Exchange Rates—Foreign Exchange Policy” in the 2016 Form 18-K, resulted in a total sale of U.S.\$5 billion in 2017, or 25% of the U.S.\$20 billion maximum program size.

The following table sets forth, for the periods indicated, the daily peso/dollar exchange rates announced by *Banco de México* for the payment of obligations denominated in dollars and payable in pesos within Mexico.

Table No. 9 - Exchange Rates

	Representative Market Rate	
	End-of-Period	Average
2015	17.2487	15.8680
2016	20.6194	18.6908
2017		
January	20.7908	21.3853
February	19.9957	20.2905
March	18.7955	19.3010
April	18.9594	18.7875
May	18.6909	18.7557
June	18.0626	18.1326
July	17.8646	17.8283
August	17.8145	17.8070
September	18.1590	17.8357
October	19.1478	18.8161
November	18.6229	18.9158
December ⁽¹⁾	19.6629	19.1812

(1) Figures as of December 29, 2017.

Source: *Banco de México*.

On December 29, 2017, the peso/dollar exchange rate closed at Ps. 19.6629 = U.S.\$1.00, a 4.6% appreciation in dollar terms as compared to the rate on December 31, 2016. The peso/U.S. dollar exchange rate announced by *Banco de México* on December 29, 2017 (which took effect on the second business day thereafter) was Ps. 19.6595 = U.S.\$1.00.

Securities Markets

The *Bolsa Mexicana de Valores* (Mexican Stock Exchange, or BMV) publishes the *Índice de Precios y Cotizaciones* (Stock Market Index, or the IPC) based on a group of the thirty-five most actively traded shares.

On December 28, 2017, the IPC stood at 48,862 points, representing a 7.1% increase from the level at December 30, 2016.

FOREIGN TRADE AND BALANCE OF PAYMENTS

Foreign Trade

Foreign Trade Performance

The following table provides information about the value of Mexico's merchandise exports and imports (excluding tourism) for the periods indicated.

Table No. 10 - Exports and Imports

	First nine months	
	2016	2017 ⁽¹⁾
	(in millions of dollars, except average price of the Mexican crude oil mix)	
Merchandise exports (f.o.b.)		
Oil and oil products	\$ 13,371.6	\$ 16,248.5
Crude oil	10,929.8	13,349.0
Other	2,441.8	2,899.5
Non-oil products	260,440.7	283,039.7
Agricultural	10,866.2	11,685.5
Mining	3,070.8	3,988.9
Manufactured goods ⁽²⁾	246,503.7	267,365.3
Total merchandise exports	273,812.3	299,288.2
Merchandise imports (f.o.b.)		
Consumer goods	37,955.6	41,064.3
Intermediate goods ⁽²⁾	218,592.0	237,122.8
Capital goods	29,554.4	30,152.3
Total merchandise imports	286,102.0	308,339.4
Trade balance	\$ (12,289.6)	\$ (9,051.2)
Average price of Mexican oil mix ⁽³⁾	\$ 33.6	\$ 44.3

Note: Numbers may not total due to rounding.

(1) Preliminary figures.

(2) Includes the in-bond industry.

(3) In U.S. dollars per barrel.

Source: Banco de México/PEMEX.

Foreign Trade Agreements

The fourth round of negotiations between Canada, Mexico and the U.S. involving the North American Free Trade Agreement (NAFTA) took place in Arlington, VA from October 11 through 17, 2017. The fifth round of negotiations took place in Mexico City from November 17 through November 21, 2017. The sixth round of negotiations is expected to be held in Montreal, Canada from January 23 through January 28, 2018. Changes to NAFTA may greatly affect Mexico's industries, especially manufacturing and agriculture, but it is difficult to predict the impact of a renegotiated NAFTA on Mexico.

Balance of Payments and International Reserves

The following table sets forth Mexico's balance of payments for the periods indicated:

Table No. 11 - Balance of Payments⁽¹⁾

	Third quarter	
	2016	2017 ⁽¹⁾
	(in millions of dollars)	
Current account ⁽²⁾	\$ (20,286.4)	\$ (13,744.0)
Credits	318,628.5	349,760.6
Merchandise exports (f.o.b.)	274,070.9	299,583.6
Non-factor services	18,224.3	19,837.4
Transport	1,242.7	1,372.8
Tourism	14,551.6	15,954.3
Insurance and pensions	2,088.8	2,112.9
Financial Services	115.9	183.9
Others	225.4	213.5
Primary Income	6,076.8	8,864.0
Secondary Income	20,256.4	21,475.7
Debits	338,914.9	363,504.6
Merchandise imports (f.o.b.)	286,321.5	308,629.3
Non-factor services	24,721.2	27,594.9
Transport	9,696.9	10,870.1
Tourism	7,387.0	7,683.1
Insurance and pensions	3,522.6	3,674.8
Financial Services	1,307.0	1,696.6
Others	2,807.7	3,670.3
Primary Income	27,337.5	26,633.8
Secondary Income	534.7	646.7
Capital account	12.0	(6.2)
Debit	237.6	248.9
Credit	249.6	242.5
Financial account	(24,300.1)	(20,159.3)
Direct investment	(22,477.8)	(18,041.6)
Portfolio investment	(21,272.8)	(17,680.2)
Financial derivatives	651.6	4,302.6
Other investment	18,124.0	16,311.0
Reserve assets	675.0	(5,051.3)
Errors and omissions	(4,025.6)	(6,409.1)

Note: Numbers may not total due to rounding.

(1) Preliminary figures.

(2) Current account figures are calculated according to a methodology developed to conform to new international standards under which merchandise exports and merchandise imports include the in-bond industry.

Source: Banco de México.

Current Account

In the third quarter of 2017, Mexico's current account registered a deficit of 1.8% of GDP, or U.S.\$5,528 million. The increase in the oil deficit was offset by a decrease in the non-oil trade balance deficit, caused by a strengthening of global economic activity which contributed to the recovery of Mexican manufactured exports, an increase in the Primary Income balance, as well as an increase in the surplus of the remittances account.

Capital Account

In the third quarter of 2017, Mexico registered a capital account deficit of U.S.\$4 million.

Financial Account

In the third quarter of 2017, Mexico registered financial account outflows of U.S.\$9.2 billion, which was due to a net outflow of foreign direct investment and portfolio investment offset by other investment.

International Reserves and Assets

The following table sets forth *Banco de México*'s international reserves and net international assets at the end of each period indicated.

Table No. 12 - International Reserves and Net International Assets⁽³⁾

	End-of-Period International Reserves⁽¹⁾⁽²⁾	End-of-Period Net International Assets
	(in millions of dollars)	
2016.....	176,542	178,057
2017 ⁽⁴⁾		
January.....	174,791	176,657
February.....	175,145	181,847
March.....	174,931	178,735
April.....	175,011	176,779
May.....	175,138	177,045
June.....	174,246	175,425
July.....	173,360	175,713
August.....	173,032	174,482
September.....	173,031	174,920
October.....	172,820	177,208
November.....	172,672	174,474
December ⁽⁵⁾	172,465	175,253

(1) Includes gold, Special Drawing Rights (international reserve assets created by the International Monetary Fund (IMF) and foreign exchange holdings.

(2) "International reserves" are equivalent to: (a) gross international reserves, minus (b) international liabilities of *Banco de México* with maturities of less than six months.

(3) "Net international assets" are defined as: (a) gross international reserves, plus (b) assets with maturities greater than six months derived from credit agreements with central banks, less (x) liabilities outstanding to the IMF and (y) liabilities with maturities of less than six months derived from credit agreements with central banks.

(4) Preliminary figures.

(5) Figures as of December 22, 2017.

Source: *Banco de México*.

PUBLIC FINANCE

The Budget

On September 8, 2017, the President of Mexico submitted the proposed *Ley de Ingresos de la Federación para el Ejercicio Fiscal de 2018* (Federal Revenue Law for 2018, or the 2018 Revenue Law) and the proposed *Presupuesto de Egresos de la Federación para el Ejercicio Fiscal de 2018* (Federal Expenditure Budget for 2018, or the 2018 Expenditure Budget) to the *Congreso de la Unión* (Congress) for its approval. The 2018 Revenue Law was approved by the *Cámara de Diputados* (Chamber of Deputies) on October 19, 2017 and by the Senate on October 27, 2017. The 2018 Revenue Law was

published in the Official Gazette of the Federation on November 15, 2017. The 2018 Expenditure Budget was approved by the Chamber of Deputies on November 9, 2017 and was published in the Official Gazette of the Federation on November 29, 2017.

Selected estimated budget expenditures and preliminary results are set forth in the table below.

**Table No. 13 - Budgetary Expenditures; 2017 Expenditure Budget
(In Billions of Pesos)**

	2015 Results⁽¹⁾	2016 Results⁽¹⁾	First nine months of 2017 Results⁽¹⁾	2017 Budget⁽²⁾	2018 Budget⁽²⁾
Health	Ps. 121.2	Ps. 121.8	Ps. 105.8	Ps. 121.8	Ps. 121.9
Education.....	323.1	301.5	212.4	267.7	275.4
Housing and community development	29.2	26.0	12.2	16.0	16.7
Government debt servicing	322.2	370.1	260.4	416.3	489.1
CFE and PEMEX debt servicing.....	86.1	102.9	98.9	120.4	136.2
PEMEX	72.6	86.9	82.0	102.3	110.8
CFE	13.5	16.0	16.9	18.1	25.4
Other.....	0.0	0.0	0.0	0.0	0.0

(1) Preliminary figures.

(2) 2017 Budget and 2018 Budget figures represent budgetary estimates, based on the economic assumptions contained in the General Economic Policy Guidelines and in the Economic Program for 2017 and 2018, respectively. These figures do not reflect actual results or updated estimates of Mexico's economic results for either year.

Source: Ministry of Finance and Public Credit.

The table below sets forth the budgetary results for 2012–2016 and the first nine months of 2017. It also sets forth certain assumptions and targets from Mexico's 2017 Budget.

Table No. 14 - Budgetary Results; 2017 Budget Assumptions and Targets

	2013 Results⁽¹⁾	2014 Results⁽¹⁾	2015 Results⁽¹⁾	2016 Results⁽¹⁾	First nine months of 2017 Results⁽¹⁾	2017 Budget⁽²⁾	2018 Budget
Real GDP growth (%).....	1.4%	2.8%	3.3%	2.9%	2.2%	2.0-2.6%	2.0-3.0%
Increase in the national consumer price index (%)	4.0%	4.1%	2.1%	3.4%	6.3%	5.8%	3.0%
Average export price of Mexican oil mix (U.S.\$/barrel).....	\$ 98.44	\$ 85.48	\$ 43.12	\$ 35.63	\$ 44.3	\$ 43 ⁽³⁾	\$ 46
Average exchange rate (Ps./\$1.00) .	12.8	13.3	15.9	18.7	18.9	18.7	18.1
Average rate on 28-day <i>Cetes</i> (%) ..	3.8%	3.0%	3.0%	4.2%	6.6%	6.7%	7.0%
Public sector balance as % of GDP ⁽⁵⁾	(2.3)%	(3.1)%	(3.4)%	(2.5)%	0.3%	1.1%	0.0%
Primary balance as % of GDP ⁽⁴⁾	(0.4)%	(1.1)%	(1.2)%	(0.1)%	1.9%	0.4%	0.9%
Current account deficit as % of GDP	(2.4)%	(1.8)%	(2.6)%	(2.2)%	(1.7)%	(1.8)%	(1.8)%

(1) Preliminary figures.

(2) 2017 Budget figures represent budgetary estimates, based on the economic assumptions contained in the General Economic Policy Guidelines and in the Economic Program for 2017. These figures do not reflect actual results for the year or updated estimates of Mexico's 2017 economic results.

(3) The Government entered into hedging agreements to mitigate the effects of a potential decline in oil prices with respect to the level that was assumed in the 2017 Revenue Law. Therefore, the approved expenditures level should not be affected if the weighted average price of crude oil exported by PEMEX for the year falls below the price assumed in the 2017 Budget.

(4) Includes the effect of expenditures related to the issuance of bonds pursuant to reforms to the ISSSTE Law and the recognition as public sector debt of certain PIDIREGAS obligations, as discussed under "Public Finance—Revenues and Expenditures—General."

Source: Ministry of Finance and Public Credit.

Revenues and Expenditures

The following table presents the composition of public sector budgetary revenues for the first nine months of 2016 and 2017.

Table No. 15 – Public Sector Budgetary Revenues
(In Billions of Pesos)⁽³⁾

	First nine months of 2016⁽¹⁾	First nine months of 2017⁽¹⁾	2017 Budget⁽²⁾	2018 Budget⁽²⁾
Budgetary revenues	3,501.2	3,773.0	4,360.9	4,778.3
Federal government	2,655.4	2,986.3	3,263.8	3,584.9
Taxes	2,041.5	2,182.7	2,739.4	2,957.5
Income tax	1,066.0	1,188.7	1,422.7	1,564.3
Value-added tax	586.0	637.6	797.7	876.9
Excise taxes	322.5	282.4	433.9	421.8
Import duties.....	37.2	38.5	45.8	47.3
Export duties.....	0.0	0.0	0.0	0.0
Luxury goods and services	0.0	0.0	0.0	0.0
Other	26.9	32.3	39.3	42.4
Non-tax revenue	613.9	809.2	524.4	627.4
Fees and tolls	46.1	51.9	50.7	46.4
Transfers from the Mexican Petroleum Fund for Stabilization and Development.....	238.3	335.3	386.9	456.8
Rents, interest and proceeds of assets sales	0.0	0.0	0.0	0.0
Fines and surcharges	322.8	416.4	86.7	117.8
Other	6.6	5.6	0.0	6.5
Public enterprises and agencies	845.8	786.7	1,097.2	1,193.3
PEMEX	382.6	255.1	400.4	423.3
Others	463.2	531.6	696.7	770.0

Note: Numbers may not total due to rounding.

(1) Preliminary figures.

(2) Budgetary estimates as of December 2016. Budgetary estimates for 2017 were converted into constant pesos using the GDP deflator for 2017, estimated as of December 2016.

(3) Constant pesos with purchasing power as of December 31, 2013.

Source: Ministry of Finance and Public Credit.

PUBLIC DEBT

Historical Balance of Public Sector Borrowing Requirements

The following table sets forth the Historical Balance of Public Sector Borrowing Requirements as a percentage of GDP at each of the dates indicated:

**Table No. 16 – Historical Balance of Public Sector Borrowing Requirements
(Percentage of GDP)**

	At September 30,	
	2016	2017 ⁽¹⁾
Historical Balance of Public Sector Borrowing Requirements ⁽²⁾ ...	48.0%	44.5%

(1) Percentage of GDP is calculated using the estimated annual GDP for 2017, consistent with the update of the GDP growth range published by the Ministry of Finance and Public Credit on May 22, 2017.

(2) The Historical Balance of Public Sector Borrowing Requirements represents net obligations incurred to achieve public policy objectives, both of public institutions and of private entities acting on behalf of the Government. It includes obligations due minus financial assets available, including loans granted and debt amortization funds, as a reflection of the annual trajectory of Public Sector Borrowing Requirements. The Historical Balance of Public Sector Borrowing Requirements includes the budgetary public sector net debt and net obligations of IPAB, of FONADIN, associated with long-term infrastructure-related projects (PIDIREGAS) and the support programs for debtors, as well as the expected gains or losses of development banks and development funds, minus financial assets available, including loans granted and debt amortization funds, as a reflection of the annual trajectory of the Public Sector Borrowing Requirements.

At September 30, 2017, the Historical Balance of Public Sector Borrowing Requirements represented 44.5% of GDP, a decrease of 5.6% of GDP from 50.1% of GDP at the end of 2016. For an explanation of Mexico's public debt classification, including an explanation of the Historical Balance of Public Sector Borrowing Requirements, please see "Public Debt—Public Debt Classification."

Internal Debt

Internal Public Sector Debt

Table No. 17 - Gross and Net Internal Debt of the Public Sector

	At September 30,	
	2016	2017
Gross Debt	Ps. 5,850.7	Ps. 6,547.9
By Term		
Long-term	5,345.5	5,998.0
Short-term	505.2	549.9
By User		
Federal Government	5,309.0	5,998.8
State Productive Enterprise (Pemex and CFE)	425.0	403.2
Development Banks	116.7	145.9
Financial Assets	258.8	625.2
Total Net Debt	5,591.9	5,922.8
Gross Internal Debt/GDP	30.5%	30.8%
Net Internal Debt/GDP ⁽¹⁾	29.2%	27.9%

(1) "Net internal debt" represents the internal debt directly incurred by the Government at the end of the period indicated, including *Banco de México's* General Account Balance and the assets of the *Fondo de Ahorro Para el Retiro* (Retirement Savings System Fund). It does not include the debt of budget-controlled and administratively-controlled agencies or any debt guaranteed by the Government. In addition, "net internal debt" is comprised of *Cetes* and other securities sold to the public in auctions for new issuances (primary auctions), but does not include any debt allocated to *Banco de México* for its use in *Regulación Monetaria* (regulating the money supply). This is because *Banco de México's* sales of debt pursuant to *Regulación Monetaria* does not increase the Government's overall level of internal debt; *Banco de México* must reimburse the Government for any allocated debt that *Banco de México* sells in the secondary market and that is presented to

the Government for payment. However, if *Banco de México* carries out a high volume of sales of allocated debt in the secondary market, this can result in the Government's outstanding internal debt being higher than its outstanding net internal debt.

Internal Government Debt

Table No. 18 - Gross and Net Internal Debt of the Government⁽¹⁾

	At September 30,					
	2016			2017 ⁽²⁾		
	(in billions of pesos, except percentages)					
Gross Debt						
Government Securities	Ps.	4,858.1	92%	Ps.	5,407.3	90%
<i>Cetes</i>		637.5	12%		678.9	11%
Floating Rate Bonds.....		390.5	7%		460.8	8%
Inflation-Linked Bonds		1,164.2	22%		1,434.6	24%
Fixed Rate Bonds		2,658.7	50%		2,825.5	47%
STRIPS of Udibonos.....		7.1	0%		7.5	0%
Other ⁽³⁾		451.0	8%		591.5	10%
Total Gross Debt.....		5,309.0	100.0%		5,998.8	100.0%
Net Debt						
Financial Assets ⁽⁴⁾		225.7			594.7	
Total Net Debt.....	Ps.	5,083.3		Ps.	5,404.1	
Gross Internal Debt/GDP		27.7%			28.2%	
Net Internal Debt/GDP.....		26.5%			25.4%	

Note: Numbers may not total due to rounding.

(1) Internal debt figures do not include securities sold by *Banco de México* in open-market operations to manage liquidity levels pursuant to *Regulación Monetaria*. This is because this does not increase the Government's overall level of internal debt. *Banco de México* must reimburse the Government for any allocated debt that *Banco de México* sells into the secondary market and that is presented to the Government for payment. If *Banco de México* undertakes extensive sales of allocated debt in the secondary market, however, this can result in an elevated level of outstanding internal debt as compared to the Government's figure for net internal debt.

(2) Preliminary figures.

(3) Includes Ps. 145.3 billion at September 30, 2016 and Ps. 142.7 billion at September 30, 2017 in liabilities associated with social security under the ISSSTE Law.

(4) Includes the net balance (denominated in pesos) of the Federal Treasury's General Account in *Banco de México*.

Source: Ministry of Finance and Public Credit.

External Debt

External Public Sector Debt

According to preliminary figures, as of September 30, 2017, outstanding gross public sector external debt totaled U.S.\$193.7 billion, an approximate U.S.\$12.7 billion increase from the U.S.\$181.0 billion outstanding on December 31, 2016. Of this amount, U.S.\$191.3 billion represented long-term debt and U.S.\$2.5 billion represented short-term debt. Net external indebtedness also increased by U.S.\$14.1 billion during the first nine months of 2017, mainly due to an increase in indebtedness issued on the capital markets.

The following tables set forth a summary of Mexico's external public sector debt, including a breakdown of such debt by type, a breakdown of such debt by currency and net external public sector debt at the dates indicated:

Table No. 19 – Summary of External Public Sector Debt by Type⁽¹⁾

	At December 31, 2016	At September 30, 2017⁽³⁾
	(in millions of U.S. dollars)	
Long-Term Direct Debt of the Government	88,157	90,635
Long-Term Debt of Budget Controlled Agencies	82,688	92,895
Other Long-Term Public Debt ⁽²⁾	7,048	7,731
Total Long-Term Debt	177,893	191,261
Total Short-Term Debt	3,093	2,463
Total Long- and Short-Term Debt	180,986	193,724

Table No. 20 – Summary of External Public Sector Debt by Currency

	At December 31, 2016		At September 30, 2017 ⁽³⁾	
	(in millions of U.S. dollars, except for percentages)			
U.S. Dollars	U.S.\$ 144,185	79.7%	U.S.\$ 149,496	77.2%
Japanese Yen	6,410	3.5	6,690	3.5%
Swiss Francs	1,331	0.7	1,375	0.7%
Pounds Sterling.....	2,257	1.3	2,450	1.3%
Euro	24,409	13.5	31,085	16.0%
Others	2,393	1.3	2,629	1.4%
Total.....	U.S.\$ 180,986	100.0%	U.S. 193,724	100.0%

Table No. 21 – Net External Debt of the Public Sector

	At December 31, 2016	At September 30, 2017⁽³⁾
	(in millions of U.S. dollars, except for percentages)	
Total Net Debt	U.S.\$ 177,692.5	U.S.\$191,825.3
Gross External Debt/GDP	19.2%	16.5%
Net External Debt/GDP	18.8%	16.3%

Note: Numbers may not total due to rounding.

(1) External debt denominated in foreign currencies other than U.S. dollars has been translated into dollars at exchange rates as of each of the dates indicated. External public debt does not include (a) repurchase obligations of *Banco de México* with the IMF (none of which was outstanding as of September 30, 2017) or (b) loans from the Commodity Credit Corporation to public sector Mexican banks. External debt is presented herein on a "gross" basis, and includes external obligations of the public sector at their full outstanding face or principal amount. For certain informational and statistical purposes, Mexico sometimes reports its external public sector debt on a "net" basis, which is calculated as the gross debt net of certain financial assets held abroad. These financial assets include Mexican public sector external debt that is held by public sector entities but that has not been cancelled.

(2) Includes debt of development banks and other administratively-controlled agencies whose finances are consolidated with those of the Government.

(3) Adjusted to reflect the effect of currency swaps.

Source: Ministry of Finance and Public Credit.

External Government Debt

The following tables set forth a summary of Mexico's external government debt, including the gross external government debt, net external government debt and net government debt at the dates indicated:

Table No. 22 - Gross External Debt of the Government by Currency

	At December 31, 2016		At September 30, 2017 ⁽³⁾		
	(in millions of U.S. dollars, except for percentages)				
U.S. Dollars	U.S.\$	67,533	76.6%	U.S.\$ 68,082	75.1%
Japanese Yen		4,525	5.1%	4,687	5.2%
Swiss Francs		-	-	-	-
Pounds Sterling		1,825	2.1%	1,981	2.2%
Euros		14,256	16.2%	15,868	17.5%
Others		18	0.0%	18	0.0%
Total	U.S.\$	88,157	100.0%	U.S.\$ 90,635	100.0%

Table No. 23 - Net External Debt of the Government

	At December 31, 2016		At September 30, 2017 ⁽³⁾	
	(in millions of U.S. dollars, except for percentages)			
Total Net Debt	U.S.\$	86,666.0	U.S.\$	90,326.0
Gross External Debt/GDP.....		9.4%		7.7%
Net External Debt/GDP		9.2%		7.7%

Table No. 24 - Net Debt of the Government

	At December 31, 2016	At September 30, 2017⁽³⁾
Internal Debt	75.0%	76.7%
External Debt	25.0%	23.3%

Note: Numbers may not total due to rounding.

(1) External debt denominated in foreign currencies other than U.S. dollars has been translated into dollars at exchange rates as of each of the dates indicated. External public debt does not include (a) repurchase obligations of *Banco de México* with the IMF (none of which was outstanding as of September 30, 2017) or (b) loans from the Commodity Credit Corporation to public sector Mexican banks. External debt is presented herein on a "gross" basis, and includes external obligations of the public sector at their full outstanding face or principal amount. For certain informational and statistical purposes, Mexico sometimes reports its external public sector debt on a "net" basis, which is calculated as the gross debt net of certain financial assets held abroad. These financial assets include Mexican public sector external debt that is held by public sector entities but that has not been cancelled.

(2) Includes debt of development banks and other administratively-controlled agencies whose finances are consolidated with those of the Government.

(3) Adjusted to reflect the effect of currency swaps.

Source: Ministry of Finance and Public Credit.

Recent External Securities Offerings and Liability Management Transactions

Mexico offers additional debt securities from time to time and, in order to manage the composition of its outstanding liabilities, Mexico engages from time to time in a variety of transactions including tender offers, open market purchases and early redemptions.

On March 28, 2017, Mexico issued U.S.\$3.2 billion of its 4.150% Global Notes due 2027. Mexico used a portion of the proceeds from this offering to redeem its outstanding 5.950% Global Notes due 2019.

On October 10, 2017, Mexico issued U.S.\$1,880,000,000 4.600% Global Notes due 2048. Mexico used a portion of the proceeds from this offering to redeem its outstanding 5.125% Global Notes due 2020.

IMF Credit Lines

On November 29, 2017, the Executive Board of the IMF approved a successor two-year arrangement for Mexico under the Flexible Credit Line (FCL) in an amount equivalent to 62.3889 billion Special Drawing Rights (SDR) (about U.S.\$88 billion) and canceled the previous arrangement in the same amount.

TAXATION

United States Federal Taxation

The following discussion supplements the disclosure provided under the heading “Taxation—United States Federal Taxation” in the accompanying prospectus and is subject to the limitations and exceptions set forth therein.

Under recently enacted legislation, U.S. holders that use an accrual method of accounting for tax purposes generally will be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements. The application of this rule thus may require the accrual of income earlier than would be the case under the general tax rules described below, although the precise application of this rule is unclear at this time. U.S. holders that use an accrual method of accounting should consult with their tax advisors regarding the potential applicability of this legislation to their particular situation.

2048 Notes

Mexico expects that the 2048 notes will be treated as issued in a “qualified reopening” of the outstanding \$1,880,000,000 4.600% Global Notes due 2048 (CUSIP: 91087B AD2, ISIN US91087BAD29) previously issued by Mexico (the “original 2048 notes”) for U.S. federal income tax purposes. Debt instruments issued in a qualified reopening for U.S. federal income tax purposes are deemed to be part of the same issue as the original debt instruments. Under such treatment, the 2048 notes would have the same issue date, the same issue price and the same adjusted issue price as the original 2048 notes for U.S. federal income tax purposes. A U.S. holder acquiring the 2048 notes pursuant to this offering generally will be treated as acquiring the notes with premium, as described in the accompanying prospectus under “Taxation—United States Federal Taxation—Premium.” However, because the 2048 notes may be redeemable by Mexico prior to maturity at a premium, special rules may apply that could reduce, eliminate or defer the amount of premium that you may amortize with respect to the 2048 notes. Please consult your tax adviser about the effect of Mexico’s optional redemption right on your ownership of the 2048 notes.

A U.S. holder will generally be taxed on interest on the 2048 notes as ordinary income at the time such holder receives the interest or when it accrues, depending on the holder’s method of accounting for tax purposes. However, the portion of the first interest payment on the 2048 notes that represents a return of accrued interest that a U.S. holder paid as part of the purchase price for the 2048 notes will not be treated as an interest payment, and thus will not be includible in income, for U.S. federal income tax purposes.

European Union Taxation

The Proposed Financial Transaction Tax

The European Commission’s proposal for a Directive for a common financial transaction tax (“FTT”) in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the “participating Member States”) remains subject to negotiation between the participating Member States (no longer including Estonia) and the timing and scope of any next steps remain unclear.

CERTAIN BENEFIT PLAN CONSIDERATIONS

Each purchaser of the notes in this offering that is a “Plan” will be deemed to make the representations in the following paragraph. For this purpose, a “Plan” is (i) any “employee benefit plan” subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), (ii) individual retirement accounts (“IRAs” and each, an “IRA”) and other arrangements subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), and (iii) an entity whose underlying assets include “plan assets” within the meaning of ERISA by reason of the investments by such plans or accounts or arrangements therein.

Each holder of a note in this offering that is a “Plan” and that acquires notes in connection with this offering will be deemed to represent by its purchase and holding of the notes offered hereby that a fiduciary (the “Fiduciary”) independent of Mexico, the underwriters, or any of their affiliates (the “Transaction Parties”) acting on the Plan’s behalf is responsible for the Plan’s decision to acquire and hold the notes in this offering and that such Fiduciary:

- (i) is either a U.S. bank, a U.S. insurance carrier, a U.S. registered investment adviser, a U.S. registered broker-dealer or an independent fiduciary with at least \$50 million of assets under management or control, in each case under the requirements specified in the U.S. Code of Federal Regulations, 29 C.F.R. Section 2510.3-21(c)(1)(i), as amended from time to time,
- (ii) in the case of a Plan that is an IRA, is not the IRA owner, beneficiary of the IRA or relative of the IRA owner or beneficiary,
- (iii) is capable of evaluating investment risks independently, both in general and with regard to the prospective investment in the notes,
- (iv) is a fiduciary under ERISA or the Code, or both, with respect to the decision to acquire or hold the notes,
- (v) has exercised independent judgment in evaluating whether to invest the assets of the Plan in the notes,
- (vi) understands and has been fairly informed of the existence and the nature of the financial interests of the Transaction Parties in connection with the Plan’s acquisition or holding of the notes,
- (vii) understands that the Transaction Parties are not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity to the Plan, in connection with the Plan’s acquisition or holding of the notes, and
- (viii) confirms that no fee or other compensation will be paid directly to any of the Transaction Parties by the Plan, or any fiduciary, participant or beneficiary of the Plan, for the provision of investment advice (as opposed to other services) in connection with the Plan’s acquisition or holding of the notes.

PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

The underwriters severally have agreed to purchase, and Mexico has agreed to sell to them, the principal amount of the notes listed opposite their names below. The terms agreement, dated as of January 3, 2018, between Mexico and the underwriters provides the terms and conditions that govern this purchase.

Underwriters	Principal Amount of the 2028 Notes	Principal Amount of the 2048 Notes
BBVA Securities Inc.....	U.S. \$850,881,000	U.S. \$214,876,000
J.P. Morgan Securities LLC.....	U.S. \$850,881,000	U.S. \$214,876,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	U.S. \$853,434,000	U.S. \$215,522,000
Total.....	U.S. \$2,555,196,000	U.S. \$645,274,000

BBVA Securities Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as joint lead underwriters in connection with the offering of the notes.

The underwriters plan to offer the notes to the public at the respective public offering prices set forth for the 2028 notes and the 2048 notes on the cover page of this prospectus supplement. After the initial offering of the notes, the underwriters may vary the offering prices and other selling terms. The underwriters may offer and sell the bonds through certain of their respective affiliates.

The underwriters are purchasing and offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of the validity of the notes by counsel and other conditions contained in the terms agreement, such as the receipt by the underwriters of certificates of officials and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders, in whole or in part.

The underwriters are acting as joint dealer managers and Merrill Lynch, Pierce, Fenner & Smith Incorporated is acting as the billing and delivering bank (the “B&D Bank”) for Mexico’s Tender Offer on the terms and subject to the conditions set forth in the Offer to Purchase, dated January 3, 2018. Pursuant to the terms of the Offer to Purchase, purchasers of the notes offered hereby who tender outstanding notes in the Tender Offer may benefit from preferential acceptance of their tenders, subject to certain conditions.

It is anticipated that Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the B&D Bank for the Tender Offer, will purchase the tendered notes pursuant to the Offer to Purchase on January 3, 2018, two business days prior to settlement of the notes. On the settlement date of the notes, the B&D Bank will be entitled to offset a portion of the net proceeds of this offering against the full amount due to the B&D Bank by Mexico for the tendered notes purchased by the B&D Bank for delivery to Mexico, and the B&D Bank will pay the balance of the net proceeds of the notes to Mexico.

Some of the underwriters 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 Mexico 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 their business activities, the underwriters 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 Mexico or its affiliates. If any of the underwriters or their affiliates has a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their 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 our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters 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.

In order to facilitate the offering of the notes, the underwriters and their affiliates may engage in transactions that stabilize, maintain or affect the price of the notes. In particular, the underwriters or their affiliates may:

- over-allot in connection with the offering (*i.e.*, apportion to dealers more of the notes than the underwriters have), creating a short position in the notes for their own accounts;
- bid for and purchase notes in the open market to cover over-allotments or to stabilize the price of the notes; or
- if the underwriters or their affiliates repurchase previously distributed notes, reclaim selling concessions which they gave to dealers when they sold the notes.

Any of these activities may stabilize or maintain the market price of the notes above independent market levels. The underwriters or their affiliates are not required to engage in these activities, but, if they do, they may discontinue them at any time.

Any stabilization action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the notes and 60 days after the date of the allotment of the notes. Any stabilization action or over-allotment must be conducted by the underwriters, or any person acting on behalf of the underwriters, in accordance with all applicable laws and rules. This supplements the stabilization provision in the prospectus dated March 10, 2016 issued by Mexico.

Certain of the underwriters and their affiliates have engaged in and may in the future engage in other transactions with and perform services for Mexico. These transactions and services are carried out in the ordinary course of business.

As described in “Use of Proceeds,” some of the net proceeds of this offering were used to fund our purchase of certain outstanding notes of Mexico from time to time. An affiliate of BBVA Securities Inc., J.P. Morgan Securities LLC or Merrill Lynch, Pierce, Fenner & Smith Incorporated may be a holder of certain of the outstanding notes of Mexico as set forth in the Offer to Purchase and may receive 5% or more of the proceeds from this offering. Because of the manner in which the net proceeds are being used, this offering was conducted in accordance with Financial Industry Regulatory Authority (“FINRA”) Rule 5121.

Delivery of the notes was made against payment therefor on the sixth day following the date of launch (such settlement cycle being referred to herein as “T+6”). Trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wished to trade the notes on the date of launch or the next four business days were required, by virtue of the fact that the notes initially settled in T+6, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wished to trade the notes on the date of launch or the next four succeeding business days should have consulted their own advisors.

The net proceeds to Mexico from the sale of the notes will be approximately U.S. \$3,173,964,076.18, after the deduction of the underwriting discount and Mexico’s share of the expenses in connection with the sale of the notes, which are estimated to be approximately U.S. \$250,000.

The underwriters have agreed to pay for certain expenses of Mexico in connection with the offering of the notes.

Mexico has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the U.S. Securities Act of 1933, as amended.

Selling Restrictions

The notes are being offered for sale in jurisdictions where it is legal to make such offers. The notes will not be sold or offered in any place without compliance with the applicable laws and regulations of that place. There will not be any distribution or publication of any document or information relating to the notes in any place without compliance with the applicable laws and regulations of that place. If you receive this prospectus supplement and the related prospectus, then you must comply with the applicable laws and regulations of the place where you (a) purchase, offer, sell or deliver the notes or (b) possess, distribute or publish any offering material relating to the notes. Your compliance with these laws and regulations will be at your own expense.

In particular, there are restrictions on the distribution of this prospectus supplement and the offer or sale of notes in Belgium, Canada, Chile, Colombia, Denmark, the European Economic Area, France, Germany, Hong Kong, Italy, Japan, Mexico, the Netherlands, Norway, Peru, Singapore, Spain, Switzerland, the United Kingdom and Uruguay. See below and “Plan of Distribution” in the prospectus for further details on the restrictions on the offer and sale of the notes.

The terms relating to non-U.S. offerings that appear under “Plan of Distribution” in the prospectus do not apply to the offer and sale of the notes under the registration statement.

Belgium

In Belgium, this offer is not directly or indirectly, being made to, or for the account of, any person other than to qualified investors (*gekwalificeerde beleggers/investisseurs qualifiés*) within the meaning of Article 10 of the Belgian Law of June 16, 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market (*Wet op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt/Loi relative aux offres publiques d’instruments de placement et aux admissions d’instruments de placement à la négociation sur des marchés réglementés*), as amended or replaced from time to time (Belgian qualified investor), that do not qualify as consumers (*consumenten/consommateurs*) within the meaning of Article I.1, 2° of the Belgian Code of Economic Law of February 28, 2013

(*Wetboek van economisch recht/Code de droit économique*), as amended or replaced from time to time (Consumers).

A Consumer within the meaning of Article I.1, 2° of the Belgian Code of Economic Law is any natural person who is acting for purposes which are outside their trade, business, craft or profession.

Belgian Qualified Investors are professional clients and eligible counterparties as referred to in Annex A and Article 3, § 1 of the Belgian Royal Decree of June 3, 2007 containing detailed rules implementing the Markets in Financial Instruments Directive ("MiFID") and the Commission Directive 2006/73/EC implementing MiFID as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (*Koninklijk besluit tot bepaling van nadere regels tot omzetting van de richtlijn betreffende markten voor financiële instrumenten/Arrêté royal portant les règles et modalités visant à transposer la directive concernant les marchés d'instruments financiers*), as amended or replaced from time to time.

As a result, this offer does not constitute a public takeover bid pursuant to Articles 3 and 6, § 1 of the Belgian law of April 1, 2007 on public takeover bids (*Wet op de openbare overnamebiedingen/Loi relative aux offres publiques d'acquisition*), as amended or replaced from time to time.

Consequently, the offer, the offering memorandum, as well as any other information circulars, brochures or similar materials relating to the offer have not been, and will not be, notified or submitted to nor approved by the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers*) pursuant to the Belgian laws and regulations applicable to the public offering of securities.

The offer, the offering memorandum as well as any other information circulars, brochures or similar materials relating to the offer may not be advertised, nor distributed, directly or indirectly, to any person in Belgium other than Belgian Qualified Investors, acting on their own account who are not Consumers.

Accordingly, the information contained in this offering memorandum as well as in any other information circulars, brochures or similar materials relating to the offer, may not be used for any other purpose or disclosed to any other person in Belgium.

Canada

The notes may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this 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 province 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.4 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), 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 Purchasers in Chile

PURSUANT TO THE SECURITIES MARKET LAW OF CHILE AND *NORMA DE CARÁCTER GENERAL (RULE) NO. 336*, DATED JUNE 27, 2012, ISSUED BY THE SUPERINTENDENCY OF SECURITIES AND INSURANCE OF CHILE (*SUPERINTENDENCIA DE VALORES Y SEGUROS* OR “SVS”) (“RULE 336”), THE NOTES MAY BE PRIVATELY OFFERED TO CERTAIN QUALIFIED INVESTORS IDENTIFIED AS SUCH BY RULE 336 (WHICH IN TURN ARE FURTHER DESCRIBED IN RULE NO. 216, DATED JUNE 12, 2008, AND RULE 410 DATED JULY 27, 2016, BOTH OF THE SVS).

RULE 336 REQUIRES THE FOLLOWING INFORMATION TO BE MADE TO PROSPECTIVE INVESTORS IN CHILE:

1. DATE OF COMMENCEMENT OF THE OFFER: JANUARY 3, 2018. THE OFFER OF THE NOTES IS SUBJECT TO RULE 336;
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; HENCE, THE NOTES ARE NOT SUBJECT TO THE OVERSIGHT OF THE SVS;
3. SINCE THE NOTES ARE NOT REGISTERED IN CHILE THERE IS NO OBLIGATION BY THE ISSUER TO DELIVER PUBLIC INFORMATION ABOUT THE NOTES IN CHILE; AND
4. THE NOTES 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 VALORES 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 Y EN LA NORMA DE CARÁCTER GENERAL N° 410, DE 27 DE JULIO DE 2016, AMBAS DE LA SVS.

LA SIGUIENTE INFORMACIÓN SE PROPORCIONA A POTENCIALES INVERSIONISTAS DE CONFORMIDAD CON LA NCG 336:

1. ***LA OFERTA DE LOS VALORES COMIENZA EL 3 DE ENERO DE 2018, Y SE ENCUENTRA ACOGIDA A LA NCG 336;***

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 LA SVS;*
3. *POR TRATARSE DE VALORES NO INSCRITOS EN CHILE NO EXISTE LA OBLIGACIÓN POR PARTE DEL EMISOR DE ENTREGAR EN CHILE INFORMACIÓN PÚBLICA SOBRE ESTOS VALORES; Y*
4. *LOS VALORES NO PODRÁN SER OBJETO DE OFERTA PÚBLICA EN CHILE MIENTRAS NO SEAN INSCRITOS EN EL REGISTRO DE VALORES CORRESPONDIENTE DE LA SVS.*

Colombia

Any debt securities issued hereby have not been and will not be registered before the Colombian National Registry of Securities and Issuers or with any Colombian Securities Exchange or Trading System. This prospectus, as completed by a prospectus supplement, does not constitute and may not be used for, or in connection with, a public offering as defined under Colombian law or any marketing of the debt securities and shall be valid in Colombia only to the extent permitted by Colombian law. Any debt securities issued hereby may only be exchanged inside the Territory of the Republic of Colombia to the extent permitted by Colombian law. This prospectus is for the sole and exclusive use of the addressee as a designated individual/investor and is provided to such individual/investor at its request, and cannot be considered as being addressed to or intended for the use of any third party, including any of such party's shareholders, administrators or employees, or by any other third party resident in Colombia. The information contained in this prospectus is provided for assistance purposes only and may not be used to market or negotiate the debt securities hereby issued except in compliance with the promotional or advertisement activities (as defined under Colombian law), except in compliance with the requirements of the Colombian Financial and Securities Market Regulation (Decree 2555 of 2010, Law 964 of 2005 and Organic Statute of the Financial System) as amended and restated, and decrees and regulations made thereunder. No representation or warranty is made as to the accuracy or completeness of the information contained herein. Please note that, under Colombian regulations, any offering addressed to an undetermined number of persons or to 100 or more named individuals shall be considered as a public offering, requiring prior approval of Colombia's Superintendence of Finance and that the delivery of information that could be construed as marketing of the debt securities issued hereby to Colombian residents or within the territory of Colombia is forbidden unless certain prior requirements are met.

Prohibition of Sales to EEA Retail Investors

Each underwriter has represented and agreed, severally and not jointly, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any notes to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Republic of France

The notes may not be offered or sold or caused to be offered or sold, directly or indirectly, to the public in France and neither this prospectus supplement and the related prospectus, which have not been submitted to the clearance procedure of the French *Autorité des marchés financiers* (“AMF”), nor to a competent authority of another Member State of the European Economic Area that would have notified its approval to the AMF in accordance with the passport procedure provided under the EU Prospectus Directive 2003/71/EC as implemented in France and in the relevant Member State, nor any other offering material or information contained therein relating to the notes may be released, issued or distributed or caused to be released, issued or distributed, directly or indirectly, to the public in France, or used in connection with any offer for subscription, exchange or sale of the notes to the public in France.

Any such offers, sales and distributions may be made in France only to (i) qualified investors (*investisseurs qualifiés*) acting for their own account, and/or to (ii) investment services providers authorized to engage in portfolio management services on behalf of third parties and/or to (iii) fewer than 150 natural or legal persons (other than qualified investors) acting for their own account, all as defined in, and in accordance with, Articles L.411-2, II, D.411-1 and D.411-4, D.744-1, D.754-1 and D.764-1 of the French Code *monétaire et financier*.

In the event that the notes purchased or subscribed by investors listed above are offered or resold, directly or indirectly, to the public in France, the conditions relating to public offers set forth in Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Code *monétaire et financier* must be complied with. Investors in France and persons into whose possession offering materials come must inform themselves about, and observe, any such restrictions.

Germany

This prospectus supplement does not constitute a Prospectus Directive-compliant prospectus in accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and does therefore not allow any public offering in the Federal Republic of Germany (“Germany”) or any other member state of the European Economic Area which has implemented the Prospectus Directive pursuant to § 17 and § 18 of the German Securities Prospectus Act. No action has been or will be taken in the Federal Republic of Germany that would permit a public offering of the global notes, or distribution of a prospectus, a prospectus supplement or any other offering material relating to the global notes and that, in particular, no securities prospectus (*Wertpapierprospekt*) within the meaning of the German Securities Prospectus Act or any other applicable laws of Germany has been or will be published within the Federal Republic of Germany, nor has this prospectus supplement been filed with or approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) for publication within the Federal Republic of Germany. Accordingly, any offer or sale of the global notes or any distribution of offering material within the Federal Republic of Germany may violate the provisions of the German Securities Prospectus Act.

Each of the underwriters represents, agrees and undertakes that: (i) it has not offered, sold or delivered and will not offer, sell or deliver any bonds in Germany other than in accordance with provisions of the German Securities Prospectus Act; and (ii) that it will distribute in the Federal Republic of Germany any offering material relating to the global notes only under circumstances that will result in compliance with the applicable rules and regulations of the Federal Republic of Germany.

This prospectus is strictly for use of the person who has received it. It may not be forwarded to other persons or published in Germany.

Hong Kong

The global notes have not been offered or sold and will not be offered or sold in Hong Kong by means of any document other than (a) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) (the “CWUMPO”), or (b) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “SFO”) and any rules made thereunder, or (c) in other circumstances which do not result in the document being a “prospectus” as defined in the CWUMPO.

No advertisement, invitation or document relating to the global notes has been or will be issued, or has been or will be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the global notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

Italy

The offering of the debt securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation and, accordingly, no debt securities may be offered, sold or delivered, nor copies of this prospectus, any prospectus supplement or any other documents relating to the debt securities may be distributed in Italy except:

- (a) to “qualified investors”, as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “Decree No. 58”) and defined in Article 26, paragraph 1, letter d) of CONSOB Regulation No. 16190 of 29 October 2007, as amended (“Regulation No. 16190”) pursuant to Article 34-ter, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“Regulation No. 11971”); or
- (b) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any offer, sale or delivery of the debt securities or distribution of copies of this prospectus, any prospectus supplement or any other documents relating to the debt securities in Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended (the “Banking Law”), Decree No. 58 and Regulation No. 16190 and any other applicable laws and regulations;
- (b) in compliance with Article 129 of the Banking Law, and the implementing guidelines of the Bank of Italy, as amended; and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed, from time to time, by CONSOB or the Bank of Italy or other competent authority.

Please note that, in accordance with Article 100-bis of Decree No. 58, where no exemption from the rules on public offerings applies, the subsequent distribution of the debt securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971.

Japan

The global notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”) and each underwriter and agent will represent and agree that it will not offer or sell any global notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949, as amended)), or to others for re offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

Luxembourg

The global notes may not be offered to the public in Luxembourg, except in the following circumstances:

- (a) in the period beginning on the date of publication of a prospectus in relation to those global notes which have been approved by the Commission de surveillance du secteur financier (CSSF) in Luxembourg or, where appropriate, approved in another relevant European Union Member State and notified to the CSSF, all in accordance with directive (EC) No 2003/71 on prospectuses for securities as amended (the “Prospectus Directive”) and ending on the date which is 12 months after the date of such publication;
- (b) at any time to qualified investors, which means “persons or entities that are described in points (1) to (4) of Section I of Annex II to Directive (EC) No 2004/39 of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, and persons or entities who are, on request, treated as professional clients in accordance with Annex II to Directive (EC) No 2004/39, or recognized as eligible counterparties in accordance with Article 24 of Directive (EC) No 2004/39 unless they have requested that they be treated as non-professional clients. Investment firms and credit institutions shall communicate their classification on request to the issuer without prejudice to the relevant legislation on data protection. Investment firms authorised to continue considering existing professional clients as such in accordance with Article 71(6) of Directive (EC) No 2004/39 shall be authorized to treat those clients as qualified investors under this Directive”; and/or
- (c) an offer of securities addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors,
- (d) at any time in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

The applicability of the selling restrictions provided by Luxembourg law will depend on whether the offer is to be treated as a public offer or whether it can be made under one of the exemptions of Article 3 of the EU Prospectus Directive, as amended pursuant to the EU Prospectus Amendment Directive.

For the purposes of this provision, the expression “an offer of global notes” to the public in relation to any global notes in Luxembourg means the communication in any form and by any means of sufficient information on the terms of the offer and the global notes to be offered so as to enable an investor to decide to purchase the global notes, as defined in the Law of 10 July 2005 on prospectuses for

securities as amended and implementing the Prospectus Directive or any variation thereof or amendment thereto.

This prospectus supplement has been prepared on the basis that the offer of the global notes will be made pursuant to an exemption under Article 3 of the Prospectus Directive from the requirement to produce a prospectus for offers of securities.

Mexico

The notes have not been and will not be registered with the National Securities Registry maintained by the Mexican National Banking and Securities Commission (“CNBV”), and therefore may not be offered or sold publicly in Mexico. The notes may be offered or sold to qualified and institutional investors in Mexico, pursuant to the private placement exemption set forth under Article 8 of the Mexican Securities Market Law. As required under the Mexican Securities Market Law, Mexico will give notice to the CNBV of the offering of the debt securities under the terms set forth herein. Such notice will be submitted to the CNBV to comply with the Mexican Securities Market Law, and for informational purposes only. The delivery to, and receipt by, the CNBV of such notice does not certify the solvency of Mexico, the investment quality of the notes, or the accuracy or completeness of the information contained in this prospectus or in any prospectus supplement. Mexico has prepared this prospectus and is solely responsible for its content, and the CNBV has not reviewed or authorized such content.

Netherlands

In addition and without prejudice to the EEA selling restrictions above, zero coupon debt securities in bearer form on which interest does not become due and payable during their term but only at maturity and other debt securities in bearer form that qualify as savings certificates (*spaarbewijzen*) within the meaning of the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) may be transferred or accepted only through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. and with due observance of the Dutch Savings Certificates Act and its implementing regulations (including the registration requirements), provided that no such mediation is required in respect of (i) the initial issue of such debt securities to the first holders thereof, (ii) any transfer and delivery by natural persons who do not act in the conduct of a profession or trade, and (iii) the issue and trading of such debt securities, if such debt securities are physically issued outside the Netherlands and not distributed in the Netherlands in the course of primary trading or immediately thereafter; in addition (i) certain identification requirements in relation to the issue and transfer of, and payment on, such debt securities have to be complied with, (ii) any reference in publications concerning such debt securities to the words “to bearer” is prohibited, (iii) so long as such debt securities are not listed at the regulated market operated by Euronext Amsterdam N.V., each transaction involving a transfer of such debt securities must be recorded in a transaction note, containing, at least, the name and address of the counterparty to the transaction, the nature of the transaction, and a *description of the amount, registration number(s), and type of the debt securities concerned*, and (iv) *the requirement described under (iii) must be printed on such debt securities*.

Each underwriter and agent will acknowledge and agree that it will not make an offer of the debt securities to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are (a) qualified investors as defined in the Prospectus Directive or (b) represented by eligible discretionary asset managers in accordance with Article 55 of the Exemption Regulation DFSA (*Vrijstellingsregeling Wft*), or (ii) a standard warning is used as required by Article 5:5(2) or 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht* or DFSA), provided that no such offer of debt securities shall require Mexico or any underwriter or agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive. For the purpose of this

paragraph the expression “Prospectus Directive” means Directive 2003/71/EC as amended and implemented in Dutch law.

Each underwriter and agent will furthermore acknowledge and agree that it will not make an offer of debt securities with a maturity of less than 12 months until the competent authority publishes its interpretation of the term “public” (as referred to in Article 4.1(1) of Regulation (EU) No 575/2013), unless such debt securities either (a) have a minimum denomination of EUR 100,000, or (b) are offered solely to professional market parties (*professionele marktpartij*) within the meaning of the DFSA and the rules promulgated thereunder and, as soon as the competent authority publishes the interpretation of the term “public” as referred to in Article 4.1(1) of Regulation (EU) No 575/2013, to persons or legal entities that are part of the public within the meaning of Regulation (EU) No 575/2013 and the DFSA and the rules promulgated thereunder.

Peru

The global notes and the information contained in this prospectus supplement have not been and will not be registered with or approved by SMV, SBS or the Lima Stock Exchange. Accordingly, the global notes cannot be offered or sold in Peru, except if such offering is a private offering under the securities laws and regulations of Peru. The Peruvian securities market law establishes that any offering may qualify as a private offering if it is directed exclusively to institutional investors.

Spain

The global notes may not be offered, sold or distributed, nor may any subsequent resale of the global notes in Spain occur except in circumstances which do not constitute a public offer of securities in Spain within the meaning of Article 35 of the restated text of the Securities Markets Act approved by Royal Legislative Decree 4/2015, dated 23 October (Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores), Royal Decree 1310/2005 of 4 November (Real Decreto 1310/2005 de 4 de noviembre), and supplemental rules enacted thereunder.

Singapore

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the global notes may not be offered, sold or made the subject of an invitation for subscription or purchase and the global notes may not be offered or sold or made the subject of an invitation for subscription or purchase, and this prospectus supplement or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such notes, may not be circulated or distributed, 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 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased in reliance on an exemption under Sections 274 or 275 of the SFA, the notes shall not be sold within the period of six months from the date of the initial acquisition of the debt securities, except to any of the following persons:

- an institutional investor (as defined in Section 4A of the SFA);
- a relevant person (as defined in Section 275(2) of the SFA); or

- any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

The offer of the global notes is made in Switzerland on the basis of a private placement, not as a public offering. The global notes may not be publicly offered, sold or otherwise advertised, directly or indirectly, in or from Switzerland, and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading venue in Switzerland. This document, or any other offering or marketing material relating to the global notes, does not, therefore, constitute a prospectus within the meaning of Arts. 652a or 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the Listing Rules of the SIX Swiss Exchange or any other exchange or regulated trading venue in Switzerland and neither this prospectus supplement nor any other offering or marketing material relating to the offer of the global notes or the global notes may be publicly distributed or otherwise made publicly available in Switzerland.

United Kingdom

Each underwriter has, severally and not jointly, represented, warranted and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the issuer; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

This prospectus supplement is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). Any notes will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such notes will only be engaged with, relevant persons. Any person who is not a relevant person may not act or rely on this document or any of its contents.

Uruguay

The sale of any series of debt securities issued hereby qualifies as a private placement pursuant to section 2 of Uruguayan law 18.627. Mexico represents and agrees that it has not offered or sold, and will not offer or sell, any debt securities to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The sale of any series of debt securities hereunder is not and will not be registered with the Central Bank of Uruguay to be publicly offered in Uruguay.

UNITED MEXICAN STATES

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PROSPECTUS

UNITED MEXICAN STATES

DEBT SECURITIES AND WARRANTS

Mexico may from time to time offer and sell its securities, including its debt securities, in amounts, at prices and on terms to be determined at the time of sale and provided in supplements to this prospectus. The securities will be direct, general and unconditional public external indebtedness of Mexico.

The debt securities will contain “collective action clauses,” unless otherwise indicated in the applicable prospectus supplement. Under these provisions, which differ from the terms of Mexico’s public external indebtedness issued prior to November 10, 2014, Mexico may amend the payment provisions of the debt securities and other reserved matters listed in the indenture with the consent of the holders of: (1) with respect to a single series of debt securities, more than 75% of the aggregate principal amount of the outstanding debt securities of such series; (2) with respect to two or more series of debt securities, if certain “uniformly applicable” requirements are met, more than 75% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate; or (3) with respect to two or more series of debt securities, more than 66 ²/₃% of the aggregate principal amount of the outstanding debt securities of all series affected by the proposed modification, taken in the aggregate, and more than 50% of the aggregate principal amount of the outstanding debt securities of each series affected by the proposed modification, taken individually.

Mexico may sell the securities directly, through underwriters or through agents designated from time to time. The names of any underwriters or agents will be provided in the applicable prospectus supplement.

The terms of specific debt securities Mexico may offer from time to time will be set forth in the applicable prospectus supplement.

See “Risk Factors” beginning on page 4 to read about certain risks you should consider before investing in the debt securities.

You should read this prospectus and any supplements carefully. You should not assume that the information in this prospectus, any prospectus supplement or any document incorporated by reference in them is accurate as of any date other than the date on the front of these documents.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved these securities or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE NATIONAL SECURITIES REGISTRY MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (“CNBV”), AND THEREFORE MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO. THE SECURITIES MAY BE OFFERED OR SOLD TO QUALIFIED AND INSTITUTIONAL INVESTORS IN MEXICO, PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH UNDER ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW. AS REQUIRED UNDER THE MEXICAN SECURITIES MARKET LAW, MEXICO WILL GIVE NOTICE TO THE CNBV OF THE OFFERING OF THE SECURITIES UNDER THE TERMS SET FORTH HEREIN. SUCH NOTICE WILL BE SUBMITTED TO THE CNBV TO COMPLY WITH THE MEXICAN SECURITIES MARKET LAW, AND FOR INFORMATIONAL PURPOSES ONLY. THE DELIVERY TO, AND RECEIPT BY, THE CNBV OF SUCH NOTICE DOES NOT CERTIFY THE SOLVENCY OF MEXICO, THE INVESTMENT QUALITY OF THE SECURITIES, OR THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS OR IN ANY PROSPECTUS SUPPLEMENT IS ACCURATE OR

COMPLETE. MEXICO HAS PREPARED THIS PROSPECTUS AND IS SOLELY RESPONSIBLE FOR ITS CONTENT, AND THE CNBV HAS NOT REVIEWED OR AUTHORIZED SUCH CONTENT.

March 10, 2016

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ABOUT THIS PROSPECTUS

This prospectus provides you with a general description of the securities Mexico may offer. Each time Mexico sells securities, it will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. If the information in this prospectus differs from any prospectus supplement, you should rely on the information in the prospectus supplement.

This prospectus contains information you should consider when making your investment decision. We are responsible for the information contained and incorporated by reference in this prospectus and in any related free-writing prospectus or prospectus

supplement we prepare or authorize. We have not authorized anyone to give you any other information, and we take no responsibility for any other information that others may give you. Mexico is offering to sell the securities and seeking offers to buy the securities only in jurisdictions where it is lawful to do so. The information contained in this prospectus and in any accompanying prospectus supplement is current only as of the dates of this prospectus and such prospectus supplement, respectively. You should read both this prospectus and any accompanying prospectus supplement together with additional information described below under the heading “Where You Can Find More Information.”

FORWARD-LOOKING STATEMENTS

The following documents relating to Mexico’s debt securities or warrants may contain forward-looking statements:

- this prospectus;
- any prospectus supplement;
- the documents incorporated by reference in this prospectus and any prospectus supplement.

Statements that are not historical facts, including statements about Mexico’s beliefs and expectations, are forward-looking statements. 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, and Mexico undertakes no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. Mexico 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 high international interest rates, low oil prices and recession or low growth in Mexico’s trading partners. High international interest rates could increase Mexico’s expenditures, low oil prices could decrease the Mexican Government’s revenues and recession or low growth in Mexico’s main trading partners could lead to fewer exports. A combination of these factors could negatively affect Mexico’s current account.
- Instability or volatility in the international financial markets. This could lead to domestic volatility, making it more complicated for the Mexican Government to achieve its macroeconomic goals. This could also lead to declines in foreign investment inflows, portfolio investment in particular.
- Adverse domestic factors, such as domestic inflation, high domestic interest rates, exchange rate volatility and political uncertainty. Each of these could lead to lower growth in Mexico, declines in foreign direct and portfolio investment and potentially lower international reserves.

DATA DISSEMINATION

Mexico is a 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 on the so-called "Advance Release Calendar." For Mexico, precise dates or "no-later-than-dates" for the release of data under the SDDS are disseminated three months 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 SDDS's Internet website is located at: <http://dsbb.imf.org/Pages/SDDS/CtyCtgList.aspx?ctycode=MEX>, which is included herein as an inactive textual reference, and such information is not incorporated by reference herein.

USE OF PROCEEDS

Unless otherwise specified in a prospectus supplement, Mexico will use the net proceeds from the sale of securities for the general purposes of the

Mexican Government, including the refinancing, repurchase or retirement of its domestic and external indebtedness.

RISK FACTORS

This section describes certain risks associated with investing in the debt securities. You should consult your financial and legal advisors about the risks of investing in the debt securities and the suitability of your investment in light of your particular situation. Mexico disclaims any responsibility for advising you on these matters.

Risks Relating to Mexico

Adverse external factors, instability in international financial markets and adverse domestic factors could lead to reduced growth and decreased foreign investment in Mexico.

High international interest rates could increase Mexico's expenditures, low oil prices could decrease the Mexican Government's revenues, and recession or low growth in Mexico's main trading partners could lead to fewer exports. A combination of these factors could negatively affect Mexico's current account.

Instability or volatility in the international financial markets could lead to domestic volatility, making it more complicated for the Mexican Government to achieve its macroeconomic goals. This could also lead to declines in foreign investment inflows and portfolio investment in particular.

Adverse domestic factors, such as domestic inflation, high domestic interest rates, exchange rate volatility and political uncertainty could lead to lower growth in Mexico, declines in foreign direct and portfolio investment and potentially lower international reserves.

Currency Risks

Debt securities denominated in a currency other than the currency of your home country are not an appropriate investment for you if you do not have experience with foreign currency transactions.

If Mexico denominates debt securities in a currency other than U.S. dollars, the applicable prospectus supplement will contain information about the currency, including historical exchange rates and any exchange controls affecting the currency. Mexico will provide this information for your convenience only. Future fluctuations in exchange rates or

exchange controls may be very different from past trends, and Mexico will not advise you of any changes after the date of the applicable prospectus supplement. In addition, if you reside outside the United States, special considerations may apply to your investment in the debt securities. You should consult financial and legal advisors in your home country to discuss matters that may affect your purchase or holding of, or receipt of payments on, the debt securities.

If the specified currency of a debt security depreciates against your home country currency, the effective yield of the debt security would decrease below its interest rate and could result in a loss to you.

Rates of exchange between your home country currency and the specified currency may change significantly, resulting in a reduced yield or loss to you on the debt securities. In recent years, rates of exchange between certain currencies have been highly volatile, and you should expect this volatility to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, do not necessarily indicate future fluctuations.

Foreign exchange rates can either be fixed by sovereign governments or float. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the U.S. dollar. National governments, however, rarely voluntarily allow their currencies to float freely in response to economic forces. Sovereign governments may use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the rate of exchange of their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate by devaluation or revaluation of a currency. A special risk to you in purchasing debt securities denominated in a foreign currency is that their yield could be affected by these types of governmental actions.

Exchange controls could affect exchange rates and prevent Mexico from paying you in the specified currency.

Governments have imposed exchange controls in the past and may do so in the future. There is a possibility that your government or foreign governments will impose or modify foreign exchange

controls while you are a holder of foreign currency debt securities. Exchange controls could cause exchange rates to fluctuate, resulting in a reduced yield or loss to you on the debt securities. Exchange controls could also limit the availability of a specified currency for making payments on a debt security. In the event that a specified currency is unavailable, Mexico will make payments to you as described under “Description of the Securities—Payment of Principal and Interest—Payment Currency—Unavailability of Payment Currency.”

If you file a lawsuit in the United States against Mexico, the court may not render a judgment in any currency other than U.S. dollars.

New York law will apply to the debt securities, except that the authorization of the debt securities and their execution by Mexico will be governed by Mexican law. Courts in the United States customarily have not rendered judgments in any currency other than U.S. dollars. However, New York law provides that in a lawsuit based on an obligation owed in a currency other than U.S. dollars, a court will render a judgment first in the currency of the obligation and then will convert this amount into U.S. dollars at the exchange rate on the date of the judgment. Fluctuations in exchange rates may cause this amount to be different than the amount Mexico would have paid you under its original obligations. It is possible that New York law would not be applied (a) in any action based on an obligation denominated in a currency unit or (b) by a federal court sitting in the State of New York.

Under the Mexican Monetary Law, payments to be made in Mexico by Mexico in foreign currency may be paid in Mexican pesos at the exchange rate prevailing at the time of payment, as determined by Banco de México, the Mexican Central Bank. Fluctuations in exchange rates may cause this amount to be different than the amount Mexico would have paid you under its original non-Mexican peso denominated obligations.

Indexed Debt Securities

It is possible that you will receive substantially lower payments on indexed debt securities than you would on conventional debt securities or that you will not receive any payments at all.

Indexed debt securities are not an appropriate investment for you if you do not have experience in

transactions in the underlying assets of an applicable index. An investment in indexed debt securities may be significantly more risky than an investment in conventional debt securities with fixed principal amounts because the payments on indexed debt securities may vary widely.

The risks of a particular indexed debt security will depend on the possibility of significant changes in currency exchange rates and the prices of any underlying assets. These risks generally depend on factors over which Mexico has no control, such as economic and political events and the supply of and demand for the underlying assets. In addition, the exchange rates or prices referred to may be published by third parties not subject to U.S. or Mexican regulation. In recent years, currency exchange rates and prices for various underlying assets have been highly volatile, and you should expect this volatility to continue in the future. Fluctuations in any of these rates or prices that have occurred in the past, however, do not necessarily indicate future fluctuations.

The secondary market, if any, for indexed debt securities will be affected by a number of factors independent of Mexico’s creditworthiness and the value of the applicable index or indices, including the complexity and volatility of the index or indices, the method of calculating the interest in respect of indexed debt securities, the time remaining to the maturity of such debt securities, the outstanding amount of such debt securities, any redemption features of such debt securities, the amount of other debt securities linked to such index or indices and the level, direction and volatility of market interest rates generally. Such factors also will affect the market value of indexed debt securities.

In addition, certain debt securities may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility than conventional debt securities. Investors may not be able to sell such debt securities readily or at prices that will enable them to realize their anticipated yield. You should not purchase such debt securities unless you understand and are able to bear the risks that such debt securities may not be readily saleable, that the value of such debt securities will fluctuate over time and that such fluctuations may be significant.

Finally, Mexico’s credit ratings may not reflect the potential impact of all risks related to structure and other factors on the market value of the debt

securities. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks an investment in the debt securities may entail and the suitability of the debt securities in light of their particular circumstances.

Jurisdiction and Enforcement of Judgments

Mexico is a sovereign government. Thus, it may be difficult for you to obtain or enforce judgments against Mexico in U.S. courts or in Mexico.

Mexico will appoint its Consul General in New York as its authorized agent for service of process in any action based on the debt securities or the indenture which a holder may institute in any state or federal court in the Borough of Manhattan, The City of New York. Mexico and the trustee have irrevocably submitted to the jurisdiction of these courts in any action or proceeding arising out of or based on the indenture or the debt securities of any series (unless otherwise specified in the authorization of the applicable series) and Mexico has waived any objection which it may have to the venue of these courts and any right to which it may be entitled on account of place of residence or domicile. Mexico has also waived any immunity from the jurisdiction of these courts to which it might be entitled (including sovereign immunity and immunity from pre-judgment attachment, post-judgment attachment and execution) in any action based upon the debt securities or the indenture. You may also institute an action against Mexico based on the debt securities in any competent court in Mexico.

Nevertheless, Mexico may still plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 in actions brought against it

under U.S. federal securities laws or any state securities laws, and its submission to jurisdiction, appointment of the Consul General as its agent for service of process and waiver of immunity do not include these actions. Without Mexico's waiver of immunity regarding these actions, you will not be able to obtain a judgment in a U.S. court against Mexico unless the court determines that Mexico is not entitled to sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976. In addition, execution on Mexico's property in the United States to enforce a judgment may not be possible except under the limited circumstances specified in the U.S. Foreign Sovereign Immunities Act of 1976.

Even if you are able to obtain a judgment against Mexico in the United States or in Mexico, you might not be able to enforce it in Mexico. Under Article 4 of the Federal Code of Civil Procedure of Mexico, Mexican courts may not order attachment before judgment or attachment in aid of execution against any of the property of Mexico.

Modification of the Terms of the Debt Securities

The debt securities will contain provisions that permit Mexico to amend the payment terms of the debt securities without the consent of all holders.

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

DESCRIPTION OF THE SECURITIES

Debt Securities

Unless otherwise specified in a prospectus supplement, Mexico will issue the debt securities under an indenture (which may be amended from time to time) between Mexico and Deutsche Bank Trust Company Americas, as trustee, each issuance of which constitutes a separate series under said indenture. The information contained in this section summarizes some of the terms of the debt securities and the indenture. This summary does not contain all of the information that may be important to you as a potential investor in the debt securities. You should read the indenture and the forms of the debt securities before making your investment decision. Mexico has filed or will file copies of these documents with the SEC and will also file copies of these documents at the offices of the trustee.

Because the information provided in the prospectus supplement may differ from that contained in this prospectus, you should rely on the prospectus supplement for the final description of a particular issue of debt securities. The following description will apply to a particular issue of debt securities only to the extent that it is not inconsistent with the description provided in the applicable prospectus supplement. Capitalized terms are defined in the Glossary at the end of this prospectus.

Debt securities issued prior to November 2014 were issued under a Fiscal Agency Agreement, dated as of September 1, 1992, as amended by Amendment No. 1 thereto dated as of November 28, 1995, and by Amendment No. 2 thereto dated as of March 3, 2003 (collectively, the “Fiscal Agency Agreement”). The terms of debt securities issued beginning in November 2014, and the terms of the indenture governing such debt securities, differ in certain respects from the terms of the debt securities issued before November 2014 under the Fiscal Agency Agreement.

The debt securities have been duly authorized in accordance with the laws of Mexico and all necessary action by the Executive Branch of Mexico in connection with the debt securities has been duly taken, including the issuance of a Decree of the President of Mexico.

General Terms of the Debt Securities

The debt securities:

- will be denominated in U.S. dollars or another currency specified in the applicable prospectus supplement;
- may be offered and sold in any jurisdiction where it is lawful to do so;
- may or may not be sold in offerings registered with the SEC;
- will bear interest at a fixed rate or a floating rate;
- will contain “collective action clauses” under which Mexico may amend certain key terms of the debt securities, including the maturity date, interest rate and other terms, without the consent of all of the holders of the debt securities, unless otherwise specified in the applicable prospectus supplement;
- may or may not be redeemable by Mexico before maturity. If the debt securities are redeemable, the prospectus supplement will describe the terms that apply to the redemption;
- may or may not be subject to repayment at the option of the holder; and
- will not be entitled to the benefit of any sinking fund unless the applicable prospectus supplement states otherwise.

The prospectus supplement relating to each issuance of debt securities will specify additional terms and describe in more detail the terms of the debt securities that Mexico is issuing. These terms will include some or all of the following:

- the title;
- any limit on the aggregate principal amount;
- the issue price;
- the maturity date or dates;
- if the debt securities will bear interest, the interest rate, which may be fixed or floating, the date from which interest will accrue, the interest payment dates and the record dates for these interest payment dates;

- the form of debt security (global or certificated and registered);
- any mandatory or optional sinking fund provisions;
- any provisions that allow Mexico to redeem the debt securities at its option;
- any provisions that entitle the holders to repayment at their option;
- the currency in which the debt securities are denominated and the currency in which Mexico will make payments;
- the authorized denominations;
- a description of any index Mexico will use to determine the amount of principal or any premium or interest payments; and
- any other terms that do not conflict with the provisions of the indenture.

Mexico may issue debt securities in exchange for other debt securities or that are convertible into new debt securities. The specific terms of the exchange or conversion of any debt security and the debt security for which it will be exchangeable or to which it will be converted will be described in the prospectus supplement relating to the exchangeable or convertible debt security.

Mexico may issue debt securities at a discount below their stated principal amount, bearing no interest or interest at a rate that at the time of issuance is below market rates (see “—Optional Redemption, Repurchase and Early Repayment-Discount Debt Securities” below). Mexico may also issue debt securities that have floating rates of interest but are exchangeable for fixed rate debt securities. The U.S. federal income tax consequences and other relevant considerations are described herein (see “Taxation”).

Mexico is not required to issue all of its debt securities under the indenture and this prospectus, but instead may issue debt securities other than those described in this prospectus under other indentures and documentation. That documentation may contain different terms from those included in the indenture and described in this prospectus.

Status

The debt securities will constitute direct, general, unconditional and unsubordinated public external indebtedness of Mexico for which the full faith and credit of Mexico is pledged. The debt securities rank and will rank without any preference among themselves and equally with all other unsubordinated public external indebtedness of Mexico. It is understood that this provision shall not be construed so as to require Mexico to make payments under the debt securities ratably with payments being made under any other public external indebtedness.

Payment of Principal and Interest

General

Interest on registered debt securities will be paid (a) to the persons in whose names the debt securities are registered at the close of business on the record date or (b) if interest is being paid at maturity, redemption or repayment, to the person to whom principal is payable. The record date for registered debt securities will be specified in the applicable prospectus supplement. If debt securities are issued between a record date and an interest payment date, Mexico will pay the interest that accrues during this period on the next following interest payment date to the persons in whose names the debt securities are registered on the record date for that following interest payment date.

If any money that Mexico pays to the trustee or any paying agent to make payments on any debt securities is not claimed at the end of two years after the applicable payment was due and payable, then the money will be repaid to Mexico on Mexico’s written request. Mexico will hold such unclaimed money in trust for the relevant holders of those debt securities. After any such repayment, neither the trustee nor any paying agent will be liable for the payment. However, Mexico’s obligations to make payments on the debt securities as they become due will not be affected until the expiration of the prescription period, if any, specified in the debt securities (see “—Limitations on Claims” below).

Book-Entry Securities

Mexico will, through its paying agent, make payments of principal, premium, if any, and interest on book-entry securities by wire transfer to the clearing system or the clearing system’s nominee or common depositary, as the registered owner, which will receive the funds for distribution to the holders.

Mexico expects that the holders will be paid in accordance with the procedures of the clearing system and its participants. Neither Mexico nor the paying agent will have any responsibility or liability for any of the records of, or payments made by, the clearing system or the clearing system's nominee or common depository. For more information, see "—Global Securities" below.

Registered Certificated Securities

Mexico will arrange for payments to be made on registered certificated securities on the specified payment dates to the registered holders of the debt securities. If Mexico issues registered certificated securities, it will make payments of principal, premium, if any, and interest to you, as a holder, by wire transfer if:

- you own at least U.S. \$10,000,000 aggregate principal amount or its equivalent of debt securities; and
- not less than 15 calendar days before the payment date, you notify the paying agent of your election to receive payment by wire transfer and provide it with your bank account information and wire transfer instructions;

OR

- Mexico is making the payments at maturity or earlier redemption or repayment; and
- you surrender the debt securities at the office of the principal paying agent or at the office of any other paying agent that Mexico appoints pursuant to the indenture.

If Mexico does not pay interest by wire transfer for any reason, it will, subject to applicable laws and regulations, mail a check to you on or before the due date for the payment at your address as it appears on the security register maintained by the trustee on the applicable record date.

Payment Currency

Debt Securities Denominated in a Currency Other than U.S. Dollars

DTC Book-Entry Securities. Beneficial owners, other than those holding through Euroclear and Clearstream, Luxembourg, of book-entry securities denominated in a currency other than U.S. dollars

that are registered in the name of DTC or its nominee will receive all payments in U.S. dollars. However, as a beneficial owner of book-entry securities denominated in a currency other than U.S. dollars and registered in the name of a nominee of DTC, you may elect to receive all payments in the specified currency by delivering a written notice to the DTC direct participant through which you hold your interest not later than the record date, in the case of an interest payment date, or at least 15 calendar days before the maturity date or date of earlier redemption or repayment, in the case of a principal payment. Euroclear and Clearstream, Luxembourg will automatically make this election for their participants. You must provide wire transfer instructions to an account denominated in the specified currency. The direct participant must then notify DTC of this election and DTC will notify the paying agent. In order for your election to take effect, the paying agent must receive this notice from DTC not later than five New York business days after the record date, in the case of an interest payment date, or at least 10 calendar days before the maturity date or date of earlier redemption or repayment, in the case of a principal payment. This election will remain in effect until you revoke it by delivering a written notice to the DTC direct participant through which you hold your interest not later than 15 calendar days before the applicable payment date. If the specified currency becomes unavailable for making payments, you cannot make this election and any election that you have already made will be revoked. In this case, you will receive payment in U.S. dollars until the specified currency is again available.

The exchange rate agent will exchange an applicable specified currency payment, other than amounts that beneficial owners have elected to receive in the specified currency, for U.S. dollars using the following exchange rate: the exchange rate agent's bid quotation for the specified currency at approximately 11:00 a.m., New York City time, on the second Business Day preceding the payment date for the purchase of U.S. dollars with the specified currency for settlement on the payment date in an amount equal to the aggregate amount of specified currency payable to all holders receiving U.S. dollar payments on the payment date. The exchange rate agent will then pay this U.S. dollar amount to DTC or its nominee, as the registered holder of the debt securities. If the exchange rate agent's bid quotation is not available, then Mexico will make the payment in the specified currency outside of DTC.

If you do not elect to receive the specified currency, you will be responsible for all currency

exchange costs, which will be deducted from your payments. All determinations that the exchange rate agent makes, after being confirmed by Mexico, will be binding unless they are clearly wrong.

Other Registered Debt Securities. Book-entry securities denominated in a currency other than U.S. dollars and registered in the name of a depository located outside the United States and certificated registered securities denominated in a currency other than U.S. dollars are generally payable only in the specified currency. Holders of these debt securities will not have the option to elect payment in U.S. dollars.

Unavailability of Payment Currency

If the debt securities are payable in a specified currency other than U.S. dollars, and the specified currency is not available for making payments due to the imposition of exchange controls or other circumstances beyond Mexico's control, then you will receive payment in U.S. dollars until the specified currency is again available. If debt securities denominated in a currency other than U.S. dollars are payable in U.S. dollars, and U.S. dollars are not available for making payments due to the imposition of exchange controls or other circumstances beyond Mexico's control, then you will receive payment in the specified currency until U.S. dollars are again available. The exchange rate agent will determine the appropriate exchange rate to be used for converting these payments as follows:

1. On the second Business Day before a payment, at approximately 11:00 a.m. New York City time, the exchange rate agent will refer to the bank composite or multi-contributor pages of the Reuters Monitor Foreign Exchange Service provided by Mexico or, if this is not available, a similar display that Mexico approves.
2. The exchange rate agent will select the firm bid quotation for the specified currency by one of at least three banks provided by Mexico, one of which may be the exchange rate agent, which will yield the greatest number of U.S. dollars or specified currency, as applicable, upon conversion from U.S. dollars or the specified currency, as applicable.

3. If fewer than three bids are available, the exchange rate agent will use the noon rate in the relevant currency provided on the page FXC<Go> on the Bloomberg terminal on the second Business Day before a payment or, if this rate is not available on that date, on the most recent date available.

Payments made under these circumstances will not be an event of default under the debt securities and you will be responsible for all currency exchange costs.

If debt securities denominated in a specified currency are redenominated, then Mexico will be obligated to pay you the equivalent amounts in the new currency. If so specified in the applicable prospectus supplement, Mexico may at its option, and without the consent of the holders of the debt securities or any coupons or the need to amend the debt securities or the indenture, redenominate the debt securities issued in the currency of a country that subsequently participates in the European Economic and Monetary Union in a manner with similar effect to the final stage of the economic and monetary union on January 2, 2002, into euro. The provisions relating to any such redenomination will be contained in the applicable prospectus supplement.

Form and Denominations

Unless otherwise provided in the applicable prospectus supplement, Mexico will issue debt securities:

- denominated in U.S. dollars;
- in fully registered book-entry form;
- without coupons; and
- in denominations of U.S. \$2,000 and integral multiples of U.S. \$1,000.

Paying Agents, Transfer Agents, Calculation Agent, Exchange Rate Agent and Registrar

Until the debt securities are paid, Mexico will maintain a paying agent, a transfer agent and a registrar in The City of New York for that series and maintain an office or agency in The City of New York where the debt securities may be presented for exchange, transfer and registration of transfer as provided in the indenture. Mexico has appointed

Deutsche Bank Trust Company Americas, 60 Wall Street, 16th Floor, New York, NY 10005, to serve as its paying agent and transfer agent. You can contact the paying agents or the transfer agent at the addresses listed in the applicable prospectus supplement. Mexico has initially designated the corporate trust office of the trustee as the agency for each such purpose and as the place where the security register will be maintained. In addition, Mexico will maintain a paying agent and transfer agent in Luxembourg for so long as any such series is listed on the Luxembourg Stock Exchange and the Luxembourg Stock Exchange so requires.

Mexico may at any time appoint other paying agents, transfer agents and registrars with respect to a series. Mexico will provide prompt notice of termination, appointment or change in the office of any paying agent, transfer agent or registrar acting in connection with any series of debt securities.

Mexico has appointed an exchange rate agent to determine the exchange rate for converting payments on debt securities denominated in a currency other than U.S. dollars into U.S. dollars, where applicable. Mexico has appointed Deutsche Bank Trust Company Americas to serve as its exchange rate agent. In addition, as long as any floating rate debt securities are outstanding, Mexico will maintain a calculation agent for calculating the interest rate and interest payments on the debt securities. Mexico has appointed Deutsche Bank Trust Company Americas to serve as its calculation agent.

Interest Rate

General

Interest payments on the debt securities will generally include interest accrued from and including the issue date or the last interest payment date to but excluding the following interest payment date or the date of maturity, redemption or repayment. Each of these periods is called an interest period.

Fixed Rate Debt Securities

Fixed rate debt securities will bear interest at the rate specified in the applicable prospectus supplement until Mexico pays the principal amount of the debt securities. Mexico will generally pay interest on fixed rate debt securities after it has accrued in equal semi-annual or annual payments on the interest payment dates specified in the applicable prospectus supplement and at maturity, redemption or repayment.

Mexico will generally compute the accrued interest payable on fixed rate debt securities for any interest period on the basis of a 360-day year consisting of twelve 30-day months. In the case of euro-denominated fixed rate debt securities, however, Mexico will generally compute the accrued interest payable on the debt securities on the basis of the actual number of days in the interest period divided by 365, or, if any portion of the interest period falls in a leap year, the sum of (a) the actual number of days falling in the leap year divided by 366 and (b) the actual number of days falling in the non-leap year divided by 365.

If any payment date for a fixed rate debt security falls on a day that is not a Business Day, Mexico will make the payment on the next Business Day. In addition, if any payment on a fixed rate debt security is due on a date that is not a business day in the relevant place of payment, Mexico will make the payment on the next business day in that place of payment. Mexico will treat these payments as if they were made on the due date, and no additional interest will accrue as a result of this delay.

Floating Rate Debt Securities

Each floating rate debt security will have an interest rate formula. This formula is generally composed of:

- a base interest rate with a specified maturity called the index maturity, e.g., three months, six months, etc.
- plus or minus a spread measured in basis points with one basis point equal to 1/100 of a percentage point or
- multiplied by a spread multiplier measured as a percentage.

The applicable prospectus supplement will specify the base rate, the index maturity and the spread or spread multiplier. The prospectus supplement may also specify a maximum (ceiling) or minimum (floor) interest rate limitation. The calculation agent will use the interest rate formula, taking into account any maximum or minimum interest rate, to determine the interest rate in effect for each interest period. All determinations made by the calculation agent will be binding unless they are clearly wrong.

Mexico may issue floating rate debt securities with the following base rates (as defined under “Glossary” in this Prospectus):

- Commercial Paper Rate;
- EURIBOR;
- LIBOR;
- Federal Funds Rate; or
- any other rate.

The applicable prospectus supplement will also specify the following with respect to each floating rate debt security:

- the dates as of which the calculation agent will determine the interest rate for each interest period, referred to as the interest determination date;
- the frequency with which the interest rate will be reset, *i.e.*, daily, weekly, monthly, quarterly, semiannually or annually;
- the dates on which the interest rate will be reset, referred to as the interest reset date, *i.e.*, the first day of each new interest period, using the interest rate that the calculation agent determined on the interest determination date for that interest period;
- the interest payment dates; and
- if already determined, the initial interest rate in effect from and including the issue date to but excluding the first interest reset date.

The calculation agent will generally calculate the accrued interest payable on floating rate debt securities for any interest period by multiplying the principal amount of the debt security by an accrued interest factor, which will equal the interest rate for the interest period times a fraction, the numerator of which is the number of days in the period and the denominator of which is 360. If the interest rate varies during the period, the accrued interest factor will equal the sum of the interest factors for each day in the interest period. The calculation agent will compute the interest factors for each day by dividing the interest rate applicable to that day by 360.

The calculation agent will round all percentages resulting from any interest rate calculation to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward. For example, the calculation agent will round 9.876545%, or 0.09876545, to 9.87655% or 0.0987655. The calculation agent will also round all specified currency amounts used in or resulting from any interest rate calculation to the nearest one-hundredth of a unit, with 0.005 of a unit being rounded upward.

If you are the holder of a floating rate debt security, you may ask the calculation agent to provide you with the current interest rate and, if it has been determined, the interest rate that will be in effect on the next interest reset date. The calculation agent will also notify Mexico, each paying agent, the registered holders, if any, and, if the debt securities are listed on the Luxembourg Stock Exchange, the exchange of the following information for each interest period (except for the initial interest period if this information is specified in the applicable prospectus supplement):

- the interest rate in effect for the interest period;
- the number of days in the interest period;
- the next interest payment date; and
- the amount of interest that Mexico will pay for a specified principal amount of debt securities on that interest payment date.

The calculation agent will generally provide this information by the first Business Day of each interest period, unless the terms of a particular series of debt securities provide that the calculation agent will calculate the applicable interest rate on a Calculation Date after that date, in which case the calculation agent will provide this information by the first Business Day following the applicable Calculation Date.

If any interest payment date, other than one that falls on the maturity date or on a date for earlier redemption or repayment, or interest reset date for a floating rate debt security would fall on a day that is not a Business Day, the interest payment date or interest reset date will instead be the next Business Day, unless the debt securities are LIBOR or EURIBOR debt securities and that Business Day falls in the next month, in which case the interest payment date or the interest reset date will be the preceding

Business Day. If any payment on a floating rate debt security is due on the maturity date or upon earlier redemption or repayment and that date is not a Business Day, the payment will be made on the next Business Day. In addition, if any payment on a floating rate debt security is due on a date that is not a business day in the relevant place of payment, Mexico will make the payment on the next business day in that place of payment and no additional interest will accrue as a result of this delay. Mexico will treat these payments as if they were made on the due date.

The following table lists the most common base rates that Mexico may use, the primary source of these base rates and the interest determination date for debt securities having these base rates. The definition of each base rate in the Glossary provides further details as to how the calculation agent will determine the base rate and describes alternate sources for each base rate should its primary source be unavailable. Except for EURIBOR, which applies to debt securities denominated in euro, the sources listed in the following table apply only to debt securities denominated in U.S. dollars. Mexico may provide different base rate sources in the applicable prospectus supplement.

Base Rate	Primary Source of Base Rate	Interest Determination Date
Commercial Paper Rate	H.15(519) under the heading “Commercial paper—Nonfinancial”	Second Business Day before the interest reset date
EURIBOR	Reuters Screen “EURIBOR01” page	Second Business Day before the interest reset date
Federal Funds Rate	H.15(519) under the heading “Federal funds (effective)”	Second Business Day before the interest reset date
LIBOR	Reuters Screen LIBO Page	Second London Banking Day before the interest reset date

Indexed Debt Securities

Mexico may offer indexed debt securities according to which the principal or interest is determined by reference to an index relating to:

- the rate of exchange between the specified currency of the debt security and one or more other currencies or composite currencies, called the indexed currencies;
- the price of one or more commodities, called the indexed commodities, on specified dates;
- the level of one or more stock indexes, which may be based on U.S., Mexican or other foreign stocks, on specified dates; or
- any other objective price or measure described in the applicable prospectus supplement.

The prospectus supplement will describe how interest and principal payments on indexed debt securities will be determined. It will also include historical and other information about the index or indexes and information about the U.S. and Mexican tax consequences to the holders of indexed debt securities.

Amounts payable on an indexed debt security will be based on the face amount of the debt security. The prospectus supplement will describe whether the principal amount that Mexico will pay you on redemption or repayment before maturity would be the face amount, the principal amount at that date or another amount.

If a third party is responsible for calculating or announcing an index for certain indexed debt securities and that third party stops calculating or announcing the index, or changes the way that the index is calculated in a way not permitted in the prospectus supplement, then the index will be

calculated by the independent determination agent named in the prospectus supplement. If no independent agent is named, then Mexico will calculate the index. If the determination agent or Mexico cannot calculate the index in the same way and under the same conditions as the original third party, then the principal or interest on the debt securities will be determined as described in the prospectus supplement. All calculations that the independent determination agent or Mexico makes will be binding unless they are clearly wrong.

An investment in indexed debt securities may entail significant risks. See “Risk Factors—Indexed Debt Securities.”

Optional Redemption, Repurchase and Early Repayment

Unless otherwise provided in the applicable prospectus supplement, the debt securities will not be redeemable before maturity at the option of Mexico or repayable before maturity at the option of the holder.

Optional Redemption

The prospectus supplement for the issuance of each series of debt securities will indicate whether:

- the debt securities cannot be redeemed at Mexico’s option prior to their maturity date; or
- the debt securities will be redeemable at Mexico’s option on or after a specified date at a specified redemption price. The redemption price may be par or may decline from a specified premium to par at a later date, together, in each case, with accrued interest to the date of redemption; or
- the debt securities will be redeemable at Mexico’s option at a redemption price equal to

the principal amount of the debt securities to be redeemed plus a Make-Whole Amount (as defined below), plus accrued interest on the principal amount of such debt securities to the date of redemption.

Mexico may redeem any of the debt securities that are redeemable either in whole or in part, on not less than 30 nor more than 60 days' irrevocable notice to the trustee. If Mexico redeems less than all the debt securities of a particular series, the trustee will select the debt securities to be redeemed by a method that it deems fair and appropriate.

The "Make-Whole Amount" for debt securities denominated in U.S. dollars means the excess of (i) the sum of the present values of each remaining scheduled payment of principal and interest on the debt securities to be redeemed (exclusive of interest accrued to the date of redemption), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus a spread to be indicated in the applicable prospectus supplement over (ii) the principal amount of the debt securities. The "Make-Whole Amount" for debt securities denominated in currency other than U.S. dollars will be determined in accordance with the applicable prospectus supplement.

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

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker (as defined below) as having an actual or interpolated maturity comparable to the remaining term of the debt securities to be redeemed that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of investment grade debt securities of a comparable maturity to the remaining term of such debt securities.

"Independent Investment Banker" means one of the Reference Treasury Dealers (as defined below) appointed by Mexico.

"Comparable Treasury Price" means, with respect to any redemption date, (i) the average of the Reference Treasury Dealer Quotations (as defined below) for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if Mexico obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Reference Treasury Dealer" means each of the entities named in the applicable prospectus supplement or their affiliates which are primary United States government securities dealers, and their respective successors; provided that if any of the foregoing shall cease to be a primary United States government securities dealer in the United States (a "Primary Treasury Dealer"), Mexico will substitute another Primary Treasury Dealer; and provided that Mexico may also designate additional Reference Treasury Dealers such that there will be up to five Reference Treasury Dealers.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by Mexico, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to Mexico by such Reference Treasury Dealer at 3:30 p.m. New York City time on the third business day preceding such redemption date.

Repurchase

Mexico may repurchase debt securities at any time and price in the open market or otherwise. Debt securities repurchased by Mexico may, at Mexico's discretion, be held, resold (subject to compliance with applicable securities and tax laws) or surrendered to the trustee for cancellation.

Early Repayment

The prospectus supplement relating to a series of debt securities will also indicate whether you will have the option to elect repayment by Mexico before the maturity date of the debt securities. If you have this option, the prospectus supplement will specify the price at which and the date or dates on which you may elect repayment.

In order to receive repayment on the debt securities, you must provide to the paying agent, at least 30 but not more than 45 days before the repayment date, appropriate wire transfer instructions and either:

- in the case of certificated securities, the debt securities together with the form entitled “Option to Elect Repayment” on the reverse side of the debt securities duly completed by you; or
- in the case of book-entry securities, a copy of the prospectus supplement together with the form entitled “Option to Elect Repayment” contained in the prospectus supplement duly completed by you; or
- in the case of either certificated or book-entry securities, a telegram, telex, facsimile or letter from a member of a national securities exchange, the Financial Industry Regulatory Authority, the depositary or a commercial bank or trust company in the United States describing the particulars of the repayment and including a guaranty that the debt securities or the prospectus supplement and the completed form entitled “Option to Elect Repayment” will be received by the paying agent no later than five business days after the date of the telegram, telex, facsimile or letter. The paying agent must also receive the debt securities or the prospectus supplement and the completed forms by the fifth business day.

The guaranty from the member of a national securities exchange, the Financial Industry Regulatory Authority, Inc., the depositary or a commercial bank or trust company in the United States must include the following information:

- the name of the holder of the debt security;
- a statement that the option to elect repayment is being exercised;
- the principal amount of the debt security that the holder elects to have repaid; and
- the certificate number, in the case of certificated securities, or CUSIP number, ISIN or common code assigned to the debt security or a description of the terms of the debt security, in the case of book-entry securities.

Unless the applicable prospectus supplement states otherwise, you may exercise the repayment option for less than the entire principal amount of a debt security, provided the remaining principal amount outstanding is an authorized denomination.

For debt securities represented by a global security, the depositary or its nominee will be the

only party that can exercise a right of repayment. Thus, if you beneficially own interests in a global security and you want to elect repayment, you must instruct the direct or indirect participant through which you hold your interests to notify the depositary of your election. You should consult your direct or indirect participant to discuss the appropriate cut-off times and other requirements for making a prepayment election.

Discount Debt Securities

If the prospectus supplement states that a debt security is a discount debt security, the amount payable in the event of redemption, repayment or other acceleration of the maturity date will be the amortized face amount of the debt security as of the date of redemption, repayment or acceleration, but in no event more than its principal amount. The amortized face amount is equal to (a) the issue price plus (b) that portion of the difference between the issue price and the principal amount that has accrued at the yield to maturity described in the prospectus supplement (computed in accordance with generally accepted U.S. bond yield computation principles) by the redemption, repayment or acceleration date.

Sinking Fund

Unless otherwise specified in the applicable prospectus supplement, the debt securities will not be subject to any sinking fund.

Negative Pledge

Mexico has agreed that as long as any of the debt securities remain outstanding, it will not create or permit to exist any security interest on its present or future revenues or assets to secure its public external indebtedness, unless the debt securities are given an equivalent security interest.

A “security interest” is a lien, pledge, mortgage, encumbrance or other preferential right granted to any person or entity over Mexico’s revenues or assets.

“Public external indebtedness” means any indebtedness that:

- is a payment obligation or contingent liability payable in any currency other than Mexican currency, except indebtedness originally issued or incurred in Mexico. Indebtedness is issued or

incurred in Mexico where settlement occurs in Mexico; *and*

- arises from bonds, debentures, notes or other securities that (a) are or were intended at the time they were issued to be quoted, listed or traded on any securities exchange or other securities market and (b) have an original maturity of more than one year or are combined with a commitment so that the maturity may be extended at Mexico's option to a period of more than one year. Securities eligible for resale pursuant to Rule 144A under the U.S. Securities Act of 1933, or the Securities Act, are considered tradeable on a securities market for purposes of clause (a).

However, Mexico's agreement to restrict security interests to secure its public external indebtedness does not apply to:

- security interests created before December 3, 1993;
- security interests securing public external indebtedness incurred in connection with a project financing, as long as the security interest is limited to the assets or revenues of the project being financed. "Project financing" means any financing of all or part of the acquisition, construction or development costs of any project where the provider of the financing (a) agrees to limit its recourse to the project and the revenues of the project as the principal source of repayment and (b) has received a feasibility study prepared by competent independent experts on the basis of which it is reasonable to conclude that the project will generate sufficient foreign currency income to service substantially all public external indebtedness incurred in connection with the project;
- security interests securing public external indebtedness that (a) is issued by Mexico in exchange for debt of Mexican public sector bodies (other than Mexico), and (b) does not exceed an aggregate outstanding principal amount of U.S. \$29 billion or its equivalent; and
- security interests securing public external indebtedness that Mexico has incurred to finance or refinance the purchase of assets, if the security interests are limited to such assets.

Default and Acceleration of Maturity

Each of the following is an event of default under any series of debt securities:

- Mexico fails to pay any principal, premium, if any, or interest on any debt security of that series within 30 days after payment is due;
- Mexico fails to perform any other obligation under the debt securities of that series and does not cure that failure within 30 days after Mexico receives written notice from the trustee or holders of at least 25% in aggregate principal amount of the outstanding debt securities requiring Mexico to remedy the failure;
- Mexico's creditors accelerate an aggregate principal amount of more than U.S. \$10,000,000 (or its equivalent in any other currency) of Mexico's public external indebtedness because of an event of default resulting from Mexico's failure to pay principal or interest on that public external indebtedness when due;
- Mexico fails to make any payment on any of its public external indebtedness in an aggregate principal amount of more than U.S. \$10,000,000 (or its equivalent in any other currency) when due and does not cure that failure within 30 days after Mexico receives written notice from the trustee or holders of at least 25% in aggregate principal amount of the outstanding debt securities requiring Mexico to remedy the failure; or
- Mexico declares a moratorium on the payment of principal of or interest on its public external indebtedness.

If any of the events of default described above occurs and is continuing, holders of at least 25% of the aggregate principal amount of the debt securities of the series then outstanding may declare all the debt securities of that series to be due and payable immediately by giving written notice to Mexico, with a copy to the trustee.

Holders holding debt securities representing in the aggregate more than 50% of the principal amount of the then-outstanding debt securities of that series may waive any existing defaults and their consequences on behalf of the holders of all of the debt securities of that series if:

- following the declaration that the principal of the debt securities of that series has become due and payable immediately, Mexico deposits with the trustee a sum sufficient to pay all outstanding amounts then due on those debt securities (other than principal due by virtue of the acceleration upon the event of default) together with interest on such amounts through the date of the deposit as well as the reasonable fees and compensation of the holders that declared those debt securities due and payable, the trustee and their respective agents, attorneys and counsel; and
- all events of default (other than non-payment of principal that became due by virtue of the acceleration upon the event of default) have been remedied.

Suits for Enforcement and Limitations on Suits by Holders

If an event of default for a series of debt securities has occurred and is continuing, the trustee may, in its discretion, institute judicial action to enforce the rights of the holders of that series. With the exception of a suit to enforce the absolute right of a holder to receive payment of the principal of and interest on debt securities on the stated maturity date therefor (as that date may be amended or modified pursuant to the terms of the debt securities, but without giving effect to any acceleration), a holder has no right to bring a suit, action or proceeding with respect to the debt securities of a series unless: (1) such holder has given written notice to the trustee that a default with respect to that series has occurred and is continuing; (2) holders of at least 25% of the aggregate principal amount outstanding of that series have instructed the trustee by specific written request to institute an action or proceeding and provided an indemnity satisfactory to the trustee; and (3) 60 days have passed since the trustee received the instruction, the trustee has failed to institute an action or proceeding as directed and no direction inconsistent with such written request shall have been given to the trustee by a majority of holders of that series. Moreover, any such action commenced by a holder must be for the equal, ratable and common benefit of all holders of debt securities of that series.

Meetings, Amendments and Waivers — Collective Action

Mexico may call a meeting of the holders of debt securities of a series at any time regarding the indenture or the debt securities of the series. Mexico will determine the time and place of the meeting.

Mexico will notify the holders of the time, place and purpose of the meeting not less than 30 and not more than 60 days before the meeting.

In addition, Mexico or the trustee will call a meeting of holders of debt securities of a series if the holders of at least 10% in principal amount of all debt securities of the series then outstanding have delivered a written request to Mexico or the trustee (with a copy to Mexico) setting out the purpose of the meeting. Within 10 days of receipt of such written request or copy thereof, Mexico will notify the trustee and the trustee will notify the holders of the time, place and purpose of the meeting called by the holders, to take place not less than 30 and not more than 60 days after the date on which such notification is given.

Only holders and their proxies are entitled to vote at a meeting of holders. Mexico will set the procedures governing the conduct of the meeting and if additional procedures are required, Mexico will consult with the trustee to establish such procedures as are customary in the market.

Modifications may also be approved by holders of debt securities of a series pursuant to written action with the consent of the requisite percentage of debt securities of such series. The trustee will solicit the consent of the relevant holders to the modification not less than 10 and not more than 30 days before the expiration date for the receipt of such consents as specified by the trustee.

The holders may generally approve any proposal by Mexico to modify the indenture or the terms of the debt securities of a series with the affirmative vote (if approved at a meeting of the holders) or consent (if approved by written action) of holders of more than 50% of the outstanding principal amount of the debt securities of that series.

However, holders may approve, by vote or consent through one of three modification methods, any proposed modification by Mexico that would do any of the following (such subjects referred to as “reserved matters”):

- change the date on which any amount is payable on the debt securities;
- reduce the principal amount (other than in accordance with the express terms of the debt securities and the indenture) of the debt securities;

- reduce the interest rate on the debt securities;
- change the method used to calculate any amount payable on the debt securities (other than in accordance with the express terms of the debt securities and the indenture);
- change the currency or place of payment of any amount payable on the debt securities;
- modify Mexico's obligation to make any payments on the debt securities (including any redemption price therefor);
- change the identity of the obligor under the debt securities;
- change the definition of "outstanding debt securities" or the percentage of affirmative votes or written consents, as the case may be, required to make a "reserved matter modification";
- change the definition of "uniformly applicable" or "reserved matter modification";
- authorize the trustee, on behalf of all holders of the debt securities, to exchange or substitute all the debt securities for, or convert all the debt securities into, other obligations or securities of Mexico or any other person; or
- change the legal ranking, governing law, submission to jurisdiction or waiver of immunities provisions of the terms of the debt securities.

A change to a reserved matter, including the payment terms of the debt securities, can be made without your consent, as long as the change is approved, pursuant to one of the three following modification methods, by vote or consent by:

- the holders of more than 75% of the aggregate principal amount of the outstanding debt securities of a series affected by the proposed modification;
- where such proposed modification would affect the outstanding debt securities of two or more series, the holders of more than 75% of the aggregate principal amount of the outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, if certain "uniformly applicable" requirements are met; or

- where such proposed modification would affect the outstanding debt securities of two or more series, whether or not the "uniformly applicable" requirements are met, the holders of more than $66\frac{2}{3}\%$ of the aggregate principal amount of the outstanding debt securities of all of the series affected by the proposed modification, taken in the aggregate, *and* the holders of more than 50% of the aggregate principal amount of the outstanding debt securities of each series affected by the modification, taken individually.

"Uniformly applicable," as referred to above, means a modification by which holders of debt securities of all series affected by that modification are invited to exchange, convert or substitute their debt securities on the same terms for (x) the same new instruments or other consideration or (y) new instruments or other consideration from an identical menu of instruments or other consideration. It is understood that a modification will not be considered to be uniformly applicable if each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification (or, where a menu of instruments or other consideration is offered, each exchanging, converting or substituting holder of debt securities of any series affected by that modification is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting or substituting holder of debt securities of any series affected by that modification electing the same option under such menu of instruments).

Mexico may select, in its discretion, any modification method for a reserved matter modification in accordance with the indenture and to designate which series of debt securities will be included for approval in the aggregate of modifications affecting two or more series of debt securities. Any selection of a modification method or designation of series to be included will be final for the purpose of that vote or consent solicitation. If any one or more series of debt securities issued under the indenture prior to June 1, 2015 are included in a proposed modification affecting two or more series of

debt securities under the indenture that seeks holder approval pursuant to a single aggregated vote, that modification will be uniformly applicable (as described above) to all such series, regardless of when they were issued.

Before soliciting any consent or vote of any holder of debt securities for any change to a reserved matter, Mexico will provide the following information to the trustee for distribution to the holders of debt securities of any series that would be affected by the proposed modification:

- a description of Mexico's economic and financial circumstances that are in Mexico's opinion relevant to the request for the proposed modification, a description of Mexico's existing debts and description of its broad policy reform program and provisional macroeconomic outlook;
- if Mexico shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, (x) a description of any such arrangement or agreement and (y) where permitted under the information disclosure policies of the multilateral or other creditors, as applicable, a copy of the arrangement or agreement;
- a description of Mexico's proposed treatment of external debt instruments that are not affected by the proposed modification and its intentions with respect to any other major creditor groups; and
- if Mexico is then seeking any reserved matter modification affecting any other series of debt securities, a description of that proposed modification.

For purposes of determining whether the required percentage of holders of the debt securities of a series has approved any amendment, modification or change to, or waiver of, the debt securities or the indenture, or whether the required percentage of holders has delivered a notice of acceleration of the debt securities of that series, debt securities held by Mexico or any public sector instrumentality of Mexico or by a corporation, trust or other legal entity that is controlled by Mexico or a public sector instrumentality will be disregarded and deemed not to be outstanding and may not be counted in a vote or consent solicitation for or against a

proposed modification, if on the record date for the proposed modification or other action or instruction hereunder, the debt security is held by Mexico or by a public sector instrumentality, or by a corporation, trust or other legal entity that is controlled by Mexico or a public sector instrumentality, except that (x) debt securities held by Mexico or any public sector instrumentality of Mexico or by a corporation, trust or other legal entity that is controlled by Mexico or a public sector instrumentality which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the trustee the pledgee's right so to act with respect to such debt securities and that the pledgee is not Mexico or a public sector instrumentality, and in case of a dispute concerning such right, the advice of counsel shall be full protection in respect of any decision made by the trustee in accordance with such advice and any certificate, statement or opinion of counsel may be based, insofar as it relates to factual matters or information which is in the possession of the trustee, upon the certificate, statement or opinion of or representations by the trustee; and (y) in determining whether the trustee will be protected in relying upon any such action or instructions hereunder, or any notice from holders, only debt securities that a responsible officer of the trustee knows to be so owned or controlled will be so disregarded.

As used in the preceding paragraph, "public sector instrumentality" means any department, secretary, ministry or agency of Mexico, and "control" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity.

Other Amendments

Mexico and the trustee may, without the vote or consent of any holder of debt securities of a series, amend the indenture or the debt securities of the series for the purpose of:

- adding to Mexico's covenants for the benefit of the holders;
- surrendering any of Mexico's rights or powers with respect to the debt securities of that series;
- securing the debt securities of that series;

- curing any ambiguity or curing, correcting or supplementing any defective provision in the debt securities of that series or the indenture;
- amending the debt securities of that series or the indenture in any manner that Mexico and the trustee may determine and that does not materially adversely affect the interests of any holders of the debt securities of that series; or
- correcting, in the opinion of the trustee, a manifest error of a formal, minor or technical nature.

Additional Amounts

All payments by Mexico in respect of the debt securities shall 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 Mexico or any political subdivision or taxing authority or agency therein or thereof having the power to tax (for purposes of this paragraph, “relevant tax”), unless the withholding or deduction of such relevant tax is required by law. In that event, Mexico shall pay such additional amounts (“additional amounts”) as may be necessary to ensure that the amounts received by the holders after such withholding or deduction shall equal the respective amounts of principal and interest that would have been receivable in respect of the debt securities in the absence of such withholding or deduction; provided, however, that no such additional amounts shall be payable in respect of any relevant tax:

- imposed by reason of a holder or beneficial owner of a debt security having some present or former connection with Mexico other than merely being a holder or beneficial owner of the debt security or receiving payments of any nature on the debt security or enforcing its rights in respect of the debt security;
- imposed by reason of the failure of a holder or beneficial owner of a debt security, or any other person through which the holder or beneficial owner holds a debt security, to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Mexico of such holder or beneficial owner or other person, if compliance with the requirement is a precondition to exemption from all or any portion of such withholding or deduction; or
- imposed by reason of a holder or beneficial owner of a debt security, or any other person through which the holder or beneficial owner holds a debt security, having presented the debt security for payment (where such presentation is required) more than 30 days after the relevant date (as defined below), except to the extent that the holder or beneficial owner or such other person would have been entitled to additional amounts on presenting the debt security for payment on any date during such 30-day period.

As used in this paragraph, “relevant date” in respect of any debt security means the date on which payment in respect thereof first becomes due or, if the full amount of the money payable has not been received by the trustee on or prior to such due date, the date on which notice is duly given to the holders in the manner described in the debt securities that such monies have been so received and are available for payment.

Warrants

If Mexico issues warrants, it will describe their specific terms in a prospectus supplement. If any warrants are registered with the SEC, Mexico will file a warrant agreement and form of warrant with the SEC. The following description briefly summarizes some of the general terms that apply to warrants. You should read the applicable prospectus supplement, warrant agreement and form of warrant before making your investment decision.

Mexico may issue the warrants separately or together with any debt securities. All warrants will be issued under a warrant agreement between Mexico and a bank or trust company, as warrant agent. The applicable prospectus supplement will include some or all of the following specific terms relating to the warrants:

- the initial offering price;
- the currency you must use to purchase the warrants;
- the title and terms of the debt securities or other consideration that you will receive on exercise of the warrants;
- the principal amount of debt securities or amount of other consideration that you will receive on exercise of the warrants;

- the exercise price or ratio;
- the procedures of, and conditions to, exercise of the warrants;
- the date or dates on which you must exercise the warrants;
- whether and under what conditions Mexico may cancel the warrants;
- the title and terms of any debt securities issued with the warrants and the amount of debt securities issued with each warrant;
- the date, if any, on and after which the warrants and any debt securities issued with the warrants will trade separately;
- the form of the warrants (global or certificated and registered), whether they will be exchangeable between such forms and, if registered, where they may be transferred and exchanged;
- the identity of the warrant agent;
- any special U.S. federal income tax considerations; and
- any other terms of the warrants.

Global Securities

The DTC, Euroclear and Clearstream, Luxembourg 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 Mexico nor the trustee will be responsible for DTC's, Euroclear's or Clearstream, Luxembourg's performance of their obligations under their rules and procedures. Additionally, neither Mexico nor the trustee will be responsible for the performance by direct or indirect participants of their obligations under their rules and procedures.

Mexico may issue debt securities or warrants in the form of one or more global securities, the ownership and transfer of which are recorded in computerized book-entry accounts, eliminating the need for physical movement of securities. Mexico refers to the intangible securities represented by a global security as “book-entry” securities.

Registered debt securities are payable to the order of and registered in the name of a particular person or entity. Mexico will generally issue debt securities initially intended to be sold wholly or partly in the United States as book-entry securities in registered form.

When Mexico issues book-entry securities, it will deposit the applicable global security with a clearing system. The global security will be either registered in the name of the clearing system or its nominee or common depositary, and this entity is considered the sole legal owner or holder of the securities for purposes of the indenture. Beneficial interests in a registered security and transfers of those interests are recorded by the registrar based on information provided to it by the transfer agents. Unless a global security is exchanged for certificated securities, as discussed below under “—Certificated Securities,” it may not be transferred, except among the clearing system, its nominees or common depositaries and their successors. Clearing systems include The Depository Trust Company, known as DTC, in the United States and Euroclear System, or Euroclear, and Clearstream Banking, *société anonyme*, or Clearstream, Luxembourg, in Europe.

Clearing systems process the clearance and settlement of book-entry securities for their direct participants. A “direct participant” is a bank or financial institution that has an account with a clearing system. The clearing systems act only on behalf of their direct participants, who in turn act on behalf of indirect participants. An “indirect participant” is a bank or financial institution that gains access to a clearing system by clearing through or maintaining a relationship with a direct participant.

Euroclear and Clearstream, Luxembourg are connected to each other by a direct link and participate in DTC through their New York depositaries, which act as links between the clearing systems. These arrangements permit you to hold book-entry securities through participants in any of these systems, subject to applicable securities laws.

Ownership of Book-Entry Securities

Mexico generally deposits the global securities representing book-entry securities sold in the United States with Deutsche Bank Trust Company Americas, as custodian for DTC or its nominee. If Mexico sells an issue of book-entry securities both within and outside the United States, the U.S. and non-U.S. portions of the securities may be represented by a single global security or by separate global securities.

If you wish to purchase book-entry securities, you must either be a direct participant or make your purchase through a direct or indirect participant. Investors who purchase book-entry securities will hold them in an account at the bank or financial institution acting as their direct or indirect participant. Holding securities in this way is called holding in “street name.”

When you hold securities in street name, you must rely on the procedures of the institutions through which you hold your securities to exercise any of the rights granted to holders. This is because the legal obligations of Mexico and the trustee run only to the registered owner of the global security, which will be the clearing system or its nominee or common depositary. For example, once Mexico and the trustee make a payment to the registered holder of a global security, they will no longer be liable for the payment, even if you do not receive it. In practice, the clearing systems will pass along any payments or notices they receive from Mexico to their participants, which will pass along the payments to you. In addition, if you desire to take any action which a holder of the global security is entitled to take, then the clearing system would authorize the participant through which you hold your book-entry securities to take such action, and the participant would then either authorize you to take the action or would act for you on your instructions. The transactions between you, the participants and the clearing systems will be governed by customer agreements, customary practices and applicable laws and regulations, and not by any legal obligation of Mexico or the trustee.

As an owner of book-entry securities represented by a global security, you will also be subject to the following restrictions:

- you will not be entitled to (a) receive physical delivery of the securities in certificated form or (b) have any of the securities registered in your name, except under the circumstances described below under “—Certificated Securities”;
- you may not be able to transfer or sell your securities to some insurance companies and other institutions that are required by law to own their securities in certificated form; and
- you may not be able to pledge your securities in circumstances where certificates must be physically delivered to the creditor or the

beneficiary of the pledge in order for the pledge to be effective.

Cross-Market Transfer, Clearance and Settlement of Book-Entry Securities

The following description reflects Mexico’s understanding of the current rules and procedures of DTC, Euroclear and Clearstream, Luxembourg relating to cross-market trades in book-entry securities where Euroclear and Clearstream, Luxembourg hold securities through their respective depositaries at DTC. These systems could change their rules and procedures at any time, and Mexico takes no responsibility for their actions or the accuracy of this description.

It is important for you to establish at the time of the trade where both the purchaser’s and seller’s accounts are located to ensure that settlement can be made on the desired value date, i.e., the date specified by the purchaser and seller on which the price of the securities is fixed.

When book-entry securities are to be transferred from a DTC seller to a Euroclear or Clearstream, Luxembourg purchaser, the purchaser must first send instructions to Euroclear or Clearstream, Luxembourg through a participant at least one business day before the settlement date. Euroclear or Clearstream, Luxembourg will then instruct its New York depositary to receive the securities and make payment for them. On the settlement date, the New York depositary will make payment to the DTC participant through which the seller holds its securities, which will make payment to the seller, and the securities will be credited to the New York depositary’s account. After settlement has been completed, Euroclear or Clearstream, Luxembourg will credit the securities to the account of the participant through which the purchaser is acting. This securities credit will appear the next day European time after the settlement date, but will be back-valued to the value date, which will be the preceding day if settlement occurs in New York. If settlement is not completed on the intended value date, the securities credit and cash debit will instead be valued at the actual settlement date.

A participant in Euroclear or Clearstream, Luxembourg, acting for the account of a purchaser of book-entry securities, will need to make funds available to Euroclear or Clearstream, Luxembourg in order to pay for the securities 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.

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 before the settlement date. Euroclear or Clearstream, Luxembourg will then instruct its New York depositary to credit the book-entry securities to the account of the DTC participant through which the purchaser is acting and to receive payment in exchange. The payment will be credited to the account of the Euroclear or Clearstream, Luxembourg 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 if settlement occurs in New York. If settlement is not completed on the intended value date, the receipt of the cash proceeds and securities debit will instead be valued at the actual settlement date.

Certificated Securities

Certificated securities are represented by physical certificates. Certificated registered securities are transferred by presenting them at the corporate trust offices of the trustee, or at the office of a paying agent (other than the trustee), according to the procedures specified in the indenture.

Mexico will only issue securities in certificated form in exchange for book-entry securities represented by a global security if:

- the depositary notifies Mexico that it is unwilling or unable to continue as depositary, is ineligible to act as depositary or ceases to be a clearing agency registered under the U.S. Securities Exchange Act of 1934 and Mexico does not appoint a successor depositary or clearing agency within 90 days;
- the trustee has instituted or has been directed to institute any judicial proceeding to enforce the rights of the holders under the debt securities and has been advised by its legal counsel that it should obtain possession of the securities for the proceeding; *or*

- Mexico elects not to have the securities of a series represented by a global security or securities.

If a physical or certificated security becomes mutilated, defaced, apparently destroyed, lost or stolen, Mexico 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 Mexico and to the trustee an indemnity under which it will agree to pay Mexico, the trustee and any of their respective agents for any losses that they may suffer relating to the security that was mutilated, defaced, apparently destroyed, lost or stolen. Mexico 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, apparently destroyed, lost or stolen security.

If Mexico 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 as specified in the indenture in New York City, 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.

Mexico will not charge the holders for the costs and expenses associated with the exchange, transfer or registration of transfer of certificated securities. Mexico 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 or principal of, or premium or interest on the securities.

Trustee

The indenture establishes the obligations and duties of the trustee, the right to indemnification of the trustee and the liability and responsibility, including limitations, for actions that the trustee takes. The trustee is entitled to enter into business transactions with Mexico or any of its affiliates without accounting for any profit resulting from these transactions.

Further Issues

Mexico may from time to time, without the consent of holders, create and issue debt securities having the same terms and conditions as any other outstanding debt securities offered pursuant to a prospectus supplement in all respects, except for the issue date, issue price and, if applicable, the first payment of interest thereon; provided, however, that any such additional debt securities shall be issued either in a “qualified reopening” for U.S. federal income tax purposes or otherwise as part of the same “issue” for U.S. federal income tax purposes. Additional debt securities issued in this manner will be consolidated with, and will form a single series with, any such other outstanding debt securities.

Notices

Mexico will mail any notices to the holders of the debt securities at their registered addresses as reflected in the books and records of the trustee. Mexico will consider any mailed notice to have been given five business days after it has been sent.

All notices to holders will be published in a leading newspaper having general circulation in London and in the City of New York (which is expected to be the *Financial Times* and *The Wall Street Journal*, respectively). As long as the debt securities are listed on the Luxembourg Stock Exchange and the rules of the exchange require, Mexico will also publish notices in a leading newspaper with general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange (www.bourse.lu). If we are unable to publish in a leading newspaper in Luxembourg, in addition to publication on the website of the Luxembourg Stock Exchange, we will also publish in a leading English language newspaper with general circulation in Europe. Any notice so published shall be deemed to have been given on the date of its first publication.

Limitation on Claims

To the extent permitted by law, claims against Mexico for the payment of principal of, or interest or other amounts due on, the debt securities (including additional amounts) will become void unless made within five years of the date on which that payment first became due.

Jurisdiction, Consent to Service, Enforcement of Judgments and Immunities from Attachment

Mexico is a sovereign government. Thus, it may be difficult for you to obtain or enforce judgments against Mexico in U.S. courts or in Mexico. Mexico will appoint its Consul General in New York as its authorized agent for service of process in any action based on the securities or the indenture which a holder may institute in any state or federal court in the Borough of Manhattan, The City of New York. Mexico and the trustee have irrevocably submitted to the jurisdiction of these courts in any action or proceeding arising out of or based on the indenture or the debt securities of any series (unless otherwise specified in the authorization of the applicable series), and Mexico has waived any objection which it may have to the venue of these courts and any right to which it may be entitled on account of place of residence or domicile. Mexico has also waived any immunity from the jurisdiction of these courts to which it might be entitled (including sovereign immunity and immunity from pre-judgment attachment, post-judgment attachment and execution) in any action based upon the securities or the indenture. You may also institute an action against Mexico based on the securities in any competent court in Mexico.

Nevertheless, Mexico may still plead sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976 in actions brought against it under U.S. federal securities laws or any state securities laws, and its submission to jurisdiction, appointment of the Consul General as its agent for service of process and waiver of immunity do not include these actions. Without Mexico’s waiver of immunity regarding these actions, you will not be able to obtain a judgment in a U.S. court against Mexico unless the court determines that Mexico is not entitled to sovereign immunity under the U.S. Foreign Sovereign Immunities Act of 1976. In addition, execution on Mexico’s property in the United States to enforce a judgment may not be possible except under the limited circumstances specified in the U.S. Foreign Sovereign Immunities Act of 1976.

Even if you are able to obtain a judgment against Mexico in the United States or in Mexico, you might not be able to enforce it in Mexico. Under Article 4 of the Federal Code of Civil Procedure of Mexico, Mexican courts may not order attachment before judgment or attachment in aid of execution against any of the property of Mexico.

Indemnification for Foreign Exchange Rate Fluctuations

Mexico's obligation to any holder under the securities that has obtained a court judgment affecting those securities will be discharged only to the extent that the holder may purchase the currency in which the securities are denominated, referred to as the "agreement currency," with the judgment currency. If the holder cannot purchase the agreement currency in the amount originally to be paid, Mexico agrees to pay the difference. The holder, however, agrees to reimburse Mexico for the excess if the amount of the agreement currency purchased exceeds the amount originally to be paid to the holder. If Mexico is in default of its obligations under the securities, however, the holder will not be obligated to reimburse Mexico for any excess.

Governing Law

The indenture and the securities are governed by and construed in accordance with the law of the State of New York unless otherwise specified in any series of debt securities, *provided, however* that all matters governing Mexico's authorization and execution of the indenture and the securities will be governed by and construed in accordance with the law of Mexico. Notwithstanding any reserved matter modification, all matters related to the consent of holders and to modifications of the indenture or the debt securities will always be governed by and construed in accordance with the law of the State of New York.

TAXATION

The following is a discussion of certain Mexican federal tax, U.S. federal income and estate tax and European Union tax considerations that may be relevant to you if you invest in the debt securities. This discussion is based on federal laws, rules and regulations now in effect in Mexico, on laws, regulations, rulings and decisions now in effect in the United States and on directives now in effect, and proposals for directives, in the European Union, and, in all cases, may change. Any change could apply retroactively and could affect the continued validity of this discussion.

This discussion does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax adviser about the tax consequences of holding the debt securities, including the relevance to your particular situation of the considerations discussed below, as well as of state, local or other tax laws.

United States Federal Taxation

The following is a discussion of certain U.S. federal income tax considerations that may be relevant to you if you invest in debt securities and are a U.S. holder. You will be a U.S. holder if you are the beneficial owner of a debt security and you are an individual who is a citizen or resident of the United States, a U.S. domestic corporation or any other person that is subject to U.S. federal income tax on a net income basis in respect of an investment in the debt securities. This discussion deals only with U.S. holders that hold debt securities as capital assets. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, thrift, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, trader in securities or commodities that elects mark to market treatment, person that will hold debt securities as a hedge against currency risk or interest rate risk or as a position in a “straddle” or conversion transaction, tax-exempt organization or a person whose “functional currency” is not the U.S. dollar. Further, it does not address the alternative minimum tax, the Medicare tax on net investment income or other aspects of U.S. federal income or state and local taxation that may be relevant to a holder in light of such holder’s particular circumstances.

This discussion is based on laws, regulations, rulings and decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this discussion.

You should consult your tax adviser about the tax consequences of holding debt securities, including the relevance to your particular situation of the considerations discussed below, as well as the relevance to your particular situation of state, local or other tax laws.

Payments or Accruals of Interest

Payments or accruals of “qualified stated interest” (as defined below) on a debt security will be taxable to you as ordinary interest income at the time that you receive or accrue such amounts in accordance with your regular method of tax accounting. If you use the cash method of tax accounting and you receive payments of interest pursuant to the terms of a debt security in a currency other than U.S. dollars (a “foreign currency”), the amount of interest income you will realize will be the U.S. dollar value of the foreign currency payment based on the exchange rate in effect on the date you receive the payment, regardless of whether you convert the payment into U.S. dollars. If you are an accrual-basis U.S. holder, the amount of interest income you will realize will be based on:

- the average exchange rate in effect during the interest accrual period; or
- the average exchange rate for the partial period within the taxable year, in the case of an interest accrual period that spans two taxable years.

Alternatively, if you are an accrual-basis U.S. holder, you may elect to translate all interest income on debt securities denominated in a foreign currency:

- at the spot rate on the last day of the interest accrual period;
- at the spot rate on the last day of the taxable year, in the case of an interest accrual period that spans more than one taxable year; or
- at the spot rate on the date that you receive the interest payment if that date is within five

business days of the end of the interest accrual period.

If you make an election to translate based on spot rates, you must apply it consistently to all debt instruments from year to year and cannot change it without the consent of the Internal Revenue Service. If you use the accrual method of accounting for tax purposes, you will recognize foreign currency gain or loss on the receipt of a foreign currency interest payment if the exchange rate in effect on the date the payment is received differs from the rate applicable to a previous accrual of that interest income. 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 debt security.

Special rules apply to debt securities that are denominated in more than one currency or in a hyperinflationary currency. Additional tax considerations relating to any such debt securities will be discussed in the applicable prospectus supplement.

Purchase, Sale and Retirement of Debt Securities

Initially, your tax basis in a debt security generally will equal the cost of the debt security to you. Your basis will increase by any amounts that you are required to include in income under the rules governing original issue discount and market discount, and will decrease by the amount of any amortized premium and any payments other than qualified stated interest made on the debt security. The rules for determining these amounts are discussed below.

If you purchase a debt security that is denominated in a foreign currency, the cost to you, and therefore generally your initial tax basis, will be the U.S. dollar value of the foreign currency purchase price on the date of purchase calculated at the exchange rate in effect on that date. If the foreign currency debt security is traded on an established securities market and you are a cash-basis taxpayer or an accrual-basis taxpayer that makes a special election, you will determine the U.S. dollar value of the cost of the debt security by translating the amount of the foreign currency that you paid for the debt security at the spot rate of exchange on the settlement date of your purchase. The amount of any subsequent adjustments to your tax basis in a debt security in respect of foreign currency-denominated original issue discount, market discount and premium will be

determined in the manner described below. If you convert U.S. dollars into a foreign currency and then immediately use that foreign currency to purchase a debt security, you generally will not have any taxable gain or loss as a result of the conversion or purchase.

When you sell or exchange a debt security, or if a debt security that you hold is retired, you generally will recognize gain or loss equal to the difference between (a) the amount you realize on the transaction less any accrued qualified stated interest, which will be subject to tax in the manner described above under “—Payments or Accruals of Interest,” and (b) your tax basis in the debt security, determined as described above. If you sell or exchange a debt security for a foreign currency, or receive foreign currency on the retirement of a debt security, the amount you will realize for U.S. tax purposes generally will be the dollar value of the foreign currency that you receive calculated at the exchange rate in effect on the date the foreign currency debt security is disposed of or retired. If you dispose of a foreign currency debt security that is traded on an established securities market and you are a cash-basis U.S. holder or an accrual-basis holder that makes a special election, you will determine the U.S. dollar value of the amount realized by translating the amount at the spot rate of exchange on the settlement date of the sale, exchange or retirement.

If you are an accrual-basis taxpayer and make the special election discussed in the preceding two paragraphs above in respect of the purchase and sale of foreign currency debt securities traded on an established securities market, you must apply this method consistently to all debt instruments traded on an established securities market from year to year and cannot change your election without the consent of the Internal Revenue Service.

Except as discussed below with respect to market discount and foreign currency gain or loss, the gain or loss that you recognize on the sale, exchange or retirement of a debt security generally will be capital gain or loss. The gain or loss on the sale, exchange or retirement of a debt security will be long-term capital gain or loss if you have held the debt security for more than one year on the date of disposition. Net long-term capital gain recognized by an individual U.S. holder generally is subject to tax at a lower rate than ordinary income or net short-term capital gain. The ability of U.S. holders to offset capital losses against ordinary income is limited.

Despite the foregoing, the gain or loss that you recognize on the sale, exchange or retirement of a

foreign currency debt security 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 you held the debt security. This foreign currency gain or loss will not be treated as an adjustment to interest income that you receive on the debt security.

Original Issue Discount

A debt security that has a stated redemption price at maturity (as defined below) that exceeds its issue price (as defined below) by at least 0.25% of its stated redemption price at maturity multiplied by the number of full years from the issue date to the maturity date of the debt security is an “Original Issue Discount Debt Security.” Mexico will inform you in the applicable prospectus supplement whether a specific debt security constitutes an Original Issue Discount Debt Security. For Original Issue Discount Debt Securities, the difference between the issue price and the stated redemption price at maturity of the debt securities will be the “original issue discount.” The “issue price” of the debt securities will be the first price at which a substantial amount of the debt securities are sold to the public, *i.e.*, excluding sales of debt securities to underwriters, placement agents, wholesalers, or similar persons. The “stated redemption price at maturity” will include all payments under the debt securities other than payments of qualified stated interest. The term “qualified stated interest” generally means stated interest that is unconditionally payable in cash or property (other than debt instruments issued by Mexico) at least annually during the entire term of a debt security at a single fixed interest rate or, subject to certain conditions, based on one or more interest indices.

If you invest in an Original Issue Discount Debt Security, you generally will be subject to the special tax accounting rules for original issue discount obligations provided by the Internal Revenue Code and certain U.S. Treasury regulations. You should be aware that, as described in greater detail below, if you invest in an Original Issue Discount Debt Security, you generally will be required to include original issue discount in ordinary gross income for U.S. federal income tax purposes as it accrues, although you may not yet have received the cash attributable to that income.

In general, and regardless of whether you use the cash or the accrual method of tax accounting, if you are the holder of an Original Issue Discount Debt Security with a maturity greater than one year, you

will be required to include in ordinary gross income the sum of the “daily portions” of original issue discount on that debt security for all days during the taxable year that you own the debt security. The daily portions of original issue discount on an Original Issue Discount Debt Security are determined by allocating to each day in any accrual period a ratable portion of the original issue discount allocable to that period. Accrual periods may be any length and may vary in length over the term of an Original Issue Discount Debt Security, so long as no accrual period is longer than one year and each scheduled payment of principal or interest occurs on the first or last day of an accrual period. If you are the initial holder of the debt security, the amount of original issue discount on an Original Issue Discount Debt Security allocable to each accrual period is determined by:

1. multiplying the “adjusted issue price” (as defined below) of the debt security at the beginning of the accrual period by a fraction, the numerator of which is the “annual yield to maturity” (as defined below) of the debt security and the denominator of which is the number of accrual periods in a year; and
2. subtracting from that product the amount, if any, payable as qualified stated interest allocable to that accrual period.

In the case of an Original Issue Discount Debt Security that is a floating rate debt security, both the annual yield to maturity and the qualified stated interest will be determined for these purposes as though the debt security will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the debt security on its date of issue or, in the case of some floating rate debt securities, the rate that reflects the yield that is reasonably expected for the debt security. Additional rules may apply if interest on a floating rate debt security is based on more than one interest index.

The “adjusted issue price” of an Original Issue Discount Debt Security at the beginning of any accrual period will generally be the sum of (a) its original issue price, including any amounts representing pre-issuance accrued interest, and (b) the amount of original issue discount allocable to all prior accrual periods, reduced by the amount of all payments other than any qualified stated interest payments on the debt security in all prior accrual periods. All payments on an Original Issue Discount

Debt Security, other than qualified stated interest, will generally be viewed first as payments of previously accrued original issue discount to the extent of the previously accrued discount, with payments considered made from the earliest accrual periods first, and then as a payment of principal.

The “annual yield to maturity” of a debt security is the discount rate, appropriately adjusted to reflect the length of accrual periods, that causes the present value on the issue date of all payments on the debt security to equal the issue price. As a result of this “constant-yield” method of including original issue discount income, the amounts you will be required to include in your gross income if you invest in an Original Issue Discount Debt Security denominated in U.S. dollars generally will be lesser in the early years and greater in the later years than amounts that would be includible on a straight-line basis.

You generally may make an irrevocable election to include in income your entire return on a debt security, *i.e.*, the excess of all remaining payments to be received on the debt security, including payments of qualified stated interest, over the amount you paid for the debt security, under the constant-yield method described above. If you purchase debt securities at a premium or with market discount and if you make this election, you will also be deemed to have made the election to amortize premium or to accrue market discount currently on a constant-yield basis in respect of all other premium or market discount bonds that you hold. See “—Premium” and “—Market Discount” below.

In the case of an Original Issue Discount Debt Security that is also a foreign currency debt security, you should determine the U.S. dollar amount includible as original issue discount for each accrual period by (a) calculating the amount of original issue discount allocable to each accrual period in the foreign currency using the constant-yield method described above and (b) translating that foreign currency amount at the average exchange rate in effect during that accrual period (or, with respect to an interest accrual period that spans two taxable years, at the average exchange rate for each partial period). Alternatively, you may translate the foreign currency amount at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year, for an accrual period that spans two taxable years) or at the spot rate of exchange on the date of receipt, if that date is within five business days of the last day of the accrual period, provided that you have made the election described above under “— Payments or Accruals of Interest.”

Because exchange rates may fluctuate, if you are the holder of an Original Issue Discount Debt Security that is also a foreign currency debt security, you may recognize a different amount of original issue discount income in each accrual period than would be the case if you were the holder of an otherwise similar Original Issue Discount Debt Security denominated in U.S. dollars. Upon the receipt of an amount attributable to original issue discount, whether in connection with a payment of an amount that is not qualified stated interest or the sale or retirement of the Original Issue Discount Debt Security, you will recognize ordinary income or loss measured by the difference between (a) the amount received, translated into U.S. dollars at the exchange rate in effect on the date of receipt or on the date of disposition of the Original Issue Discount Debt Security, as the case may be, and (b) the amount accrued, using the exchange rate applicable to the previous accrual.

If you purchase an Original Issue Discount Debt Security outside of the initial offering at a cost less than its remaining redemption amount, *i.e.*, the total of all future payments to be made on the debt security other than payments of qualified stated interest, or if you purchase an Original Issue Discount Debt Security in the initial offering at a price other than the debt security’s issue price, you generally will also be required to include in gross income the daily portions of original issue discount, calculated as described above. However, if you acquire an Original Issue Discount Debt Security at a price greater than its adjusted issue price, you will be entitled to reduce your periodic inclusions of original issue discount to reflect the premium paid over the adjusted issue price.

Floating rate debt securities generally will be treated as “variable rate debt instruments” under the Original Issue Discount Regulations. Accordingly, the stated interest on a floating rate debt security generally will be treated as “qualified stated interest” and such a debt security will not have Original Issue Discount solely as a result of the fact that it provides for interest at a variable rate. If a floating rate debt security does not qualify as a “variable rate debt instrument,” the debt security will be subject to special rules that govern the tax treatment of debt obligations that provide for contingent payments. Mexico will provide a detailed description of the tax considerations relevant to U.S. holders of any such debt securities in the prospectus supplement.

Certain Original Issue Discount Debt Securities may be redeemed prior to maturity, either at the

option of Mexico or at the option of the holder, or may have special repayment or interest rate reset features as indicated in the prospectus supplement. Original Issue Discount Debt Securities containing these features may be subject to rules that differ from the general rules discussed above. If you purchase Original Issue Discount Debt Securities with these features, you should carefully examine the prospectus supplement and consult your tax adviser about their treatment since the tax consequences of original issue discount will depend, in part, on the particular terms and features of the debt securities.

Short-Term Debt Securities

The rules described above will also generally apply to short-term debt securities, *i.e.*, debt securities with maturities of one year or less, but with some modifications.

First, the original issue discount rules treat none of the interest on a short-term debt security as qualified stated interest, but treat all of such interest as original issue discount. Thus, all short-term debt securities will be Original Issue Discount Debt Securities. Except as noted below, if you are a cash-basis holder of a short-term debt security and you do not identify the short-term debt security as part of a hedging transaction you will generally not be required to accrue original issue discount currently, but you will be required to treat any gain realized on a sale, exchange or retirement of the debt security as ordinary income to the extent such gain does not exceed the original issue discount accrued with respect to the debt security during the period you held the debt security. You may not be allowed to deduct all of the interest paid or accrued on any indebtedness incurred or maintained to purchase or carry a short-term debt security until the maturity date of the debt security or its earlier disposition in a taxable transaction. However, if you are a cash-basis U.S. holder of a short-term debt security, you may elect to accrue original issue discount on a current basis, in which case the limitation on the deductibility of interest described above will not apply. A U.S. holder using the accrual method of tax accounting and some cash method holders, including banks, securities dealers, regulated investment companies and certain trust funds, generally will be required to include original issue discount on a short-term debt security in gross income on a current basis. Original issue discount will be treated as accruing for these purposes on a ratable basis or, at the election of the holder, on a constant-yield basis based on daily compounding. Second, regardless of whether you are a cash-basis or accrual-basis holder, if you are the

holder of a short-term debt security you may elect to accrue any “acquisition discount” with respect to the debt security on a current basis. Acquisition discount is the excess of the remaining redemption amount of the debt security at the time of acquisition over the purchase price. Acquisition discount will be treated as accruing ratably or, at the election of the holder, under a constant-yield method based on daily compounding. If you elect to accrue acquisition discount, the original issue discount rules will not apply.

Finally, the market discount rules described below will not apply to short-term debt securities.

Premium

If you purchase a debt security at a cost greater than the debt security’s remaining redemption amount, you will be considered to have purchased the debt security at a premium, and you may elect to amortize the premium as an offset to interest income, using a constant-yield method, over the remaining term of the debt security. If you make this election, it generally will apply to all debt instruments that you hold at the time of the election, as well as any debt instruments that you subsequently acquire. In addition, you may not revoke the election without the consent of the Internal Revenue Service. If you elect to amortize the premium, you will be required to reduce your tax basis in the debt security by the amount of the premium amortized during your holding period. Original Issue Discount Debt Securities purchased at a premium will not be subject to the original issue discount rules described above. In the case of premium on a foreign currency debt security, you should calculate the amortization of the premium in the foreign currency. Premium amortization deductions attributable to a period reduce interest income in respect of that period, and therefore are translated into U.S. dollars at the rate that you use for interest payments in respect of that period. Exchange gain or loss will be realized with respect to amortized premium on a foreign currency debt security based on the difference between (a) the exchange rate computed on the date or dates the premium is amortized against interest payments on the debt security and (b) the exchange rate on the date the holder acquired the debt security. If you do not elect to amortize premium, the amount of premium will be included in your tax basis in the debt security. Therefore, if you do not elect to amortize premium and you hold the debt security to maturity, you generally will be required to treat the premium as capital loss when the debt security matures.

Market Discount

If you purchase a debt security at a price that is lower than the debt security's remaining redemption amount, or in the case of an Original Issue Discount Debt Security, the debt security's adjusted issue price, by 0.25% or more of the remaining redemption amount or adjusted issue price, multiplied by the number of remaining whole years to maturity, the debt security will be considered to bear "market discount" in your hands. In this case, any gain that you realize on the disposition of the debt security generally will be treated as ordinary interest income to the extent of the market discount that accrued on the debt security during your holding period. In addition, you may be required to defer the deduction of a portion of the interest paid on any indebtedness that you incurred or continued to purchase or carry the debt security. In general, market discount will be treated as accruing ratably over the term of the debt security, or, at your election, under a constant-yield method. You must accrue market discount on a foreign currency debt security in the specified currency. The amount that you will be required to include in income in respect of accrued market discount will be the U.S. dollar value of the accrued amount, generally calculated at the exchange rate in effect on the date that you dispose of the debt security.

You may elect to include market discount in gross income currently as it accrues, on either a ratable or constant-yield basis, in lieu of treating a portion of any gain realized on a sale of the debt security as ordinary income. If you elect to include market discount on a current basis, the interest deduction deferral rule described above will not apply. If you do make such an election, it will apply to all market discount debt instruments that you acquire on or after the first day of the first taxable year to which the election applies. The election may not be revoked without the consent of the Internal Revenue Service. Any accrued market discount on a foreign currency debt security that is currently includible in income will be translated into U.S. dollars at the average exchange rate for the accrual period or portion of the accrual period within the holder's taxable year.

Indexed Debt Securities and Other Debt Securities Providing for Contingent Payments

Special rules govern the tax treatment of debt obligations that provide for contingent payments ("contingent debt obligations"). These rules generally

require accrual of interest income on a constant-yield basis in respect of contingent debt obligations at a yield determined at the time of issuance of the obligation and may require adjustments to these accruals when any contingent payments are made. The applicable prospectus supplement will provide a detailed description of the tax considerations relevant to U.S. holders of any contingent debt obligations.

Information Reporting and Backup Withholding

The paying agent must file information returns with the U.S. Internal Revenue Service in connection with debt security payments made to certain United States persons. You will be a United States person if you are, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a domestic partnership, (iii) a domestic corporation, (iv) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (v) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust. If you are a United States person, you generally will not be subject to backup withholding tax on such payments if you provide your taxpayer identification number to the paying agent. You may also be subject to information reporting and backup withholding tax requirements with respect to the proceeds from a sale of the debt securities. If you are not a United States person, you may have to comply with certification procedures to establish that you are not a United States person in order to avoid information reporting and backup withholding tax requirements.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. Under the relevant rules, if the debt securities are denominated in a foreign currency, a U.S. holder may be required to treat a foreign currency exchange loss from the debt securities as a reportable transaction if this loss exceeds the relevant threshold in the regulations (\$50,000 in a single taxable year, if the U.S. holder is an individual or trust, or higher amounts for other non-individual U.S. holders), and to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of \$10,000 in the case of a natural person and \$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to

a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisors regarding the application of these rules.

European Union Taxation

The Proposed Financial Transaction Tax

The European Commission has published a proposal (the “Commission’s Proposal”) for a Directive for a common financial transaction tax (“FTT”) in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the “participating Member States”).

The Commission’s Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the debt securities in certain circumstances.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the debt securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT remains subject to negotiation between the participating Member States and the legality and scope of the proposal is uncertain. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate and/or certain of the participating Member States may decide to withdraw. In fact, it was announced in December 2015 that Estonia has withdrawn.

In December 2015, a joint statement was issued by several participating Member States, indicating an intention to make decisions on the remaining open issues by the end of June 2016. Prospective holders of the debt securities are advised to seek their own professional advice in relation to the FTT.

Mexican Taxation

The following is a discussion of certain Mexican federal income tax considerations that may be relevant to holders of debt securities that are not residents of Mexico for tax purposes and do not hold the debt securities through a permanent establishment for tax purposes in Mexico. This discussion is not intended to constitute a complete analysis of the tax consequences under the Mexican federal income tax law of the purchase, ownership or disposition of the debt securities by non-residents of Mexico nor to include any of the tax consequences that may be applicable to residents of Mexico that purchase, own or dispose of the debt securities.

Under Mexico’s Income Tax Law, payments of principal and interest on the debt securities that Mexico makes to you will be exempt from any Mexican withholding tax if you are a foreign holder, i.e.:

- you are not a resident of Mexico for tax purposes; and
- you hold the debt securities directly and not through a permanent establishment for tax purposes in Mexico to which such principal or interest payments are attributable.

You will not be subject to capital gains taxes in Mexico on the sale or transfer of the debt securities if you are a foreign holder and the sale or transfer is made to another foreign holder.

There are no Mexican stamp, registration or similar taxes payable by a foreign holder in connection with the purchase, ownership or disposition of the debt securities. A foreign holder will not be liable for Mexican estate, gift, inheritance or similar tax with respect to the debt securities.

Mexico has negotiated treaties to avoid double taxation with several countries. Certain of these treaties are currently in effect and others have been signed but have yet to enter into force. Mexico does not expect that these treaties will have an effect on the tax treatment of payments of principal, premium, if any, or interest on the debt securities to, or sales or transfers of the debt securities by, foreign holders of the debt securities.

PLAN OF DISTRIBUTION

Terms of Sale

Mexico will describe the terms of a particular offering of securities in the applicable prospectus supplement, including the following:

- the name or names of any underwriters or agents;
- the purchase price of the securities;
- the proceeds to Mexico from the sale;
- any underwriting discounts and other items constituting underwriters' compensation;
- any agents' commissions;
- any initial public offering price of the securities;
- any concessions allowed or reallocated or paid to dealers; and
- any securities exchanges on which such securities may be listed.

Mexico may agree to reimburse any underwriters and agents for certain expenses incurred in connection with the offering of the debt securities, and to indemnify any underwriters and agents against certain liabilities, including liabilities under the Securities Act. The underwriters and agents may also be entitled to contribution from Mexico for payments they make relating to these liabilities. Underwriters and agents may engage in transactions with or perform services for Mexico in the ordinary course of business.

Method of Sale

Mexico may sell the securities in any of three ways:

- through underwriters or dealers;
- directly to one or more purchasers; or
- through agents.

If Mexico uses underwriters or dealers in a sale, they will acquire the securities for their own account and may resell them in one or more transactions, including negotiated transactions, at a fixed public

offering price or at varying prices determined at the time of sale. Mexico may offer the securities to the public either through underwriting syndicates represented by managing underwriters or directly through underwriters. The obligations of the underwriters to purchase a particular offering of securities may be subject to conditions. The underwriters may change the initial public offering price or any concessions allowed or reallocated or paid to dealers.

Mexico may also sell the securities directly or through agents. Any agent will generally act on a reasonable best efforts basis for the period of its appointment.

Mexico may authorize underwriters, agents, or dealers to solicit offers by certain institutions to purchase a particular offering of securities at the public offering price using delayed delivery contracts. These contracts provide for payment and delivery on a specified date in the future. The applicable prospectus supplement will describe the commission payable for solicitation and the terms and conditions of these contracts.

Mexico may offer the securities to holders of other securities of Mexico as consideration for Mexico's purchase or exchange of the other securities. Mexico may conduct such an offer either (a) through a publicly announced tender or exchange offer for the other securities or (b) through privately negotiated transactions. This type of offer may be in addition to sales of the same securities using the methods discussed above.

The debt securities may not have an established trading market when issued. The underwriters and agents may make a market in the debt securities, but are not obligated to do so and may discontinue any market-making at any time without notice. Mexico cannot assure you that a secondary market will be established for any series of debt securities, or that any of them will be sold.

In order to facilitate the offering of the debt securities, the underwriters and agents may engage in transactions that stabilize, maintain or affect the price of the debt securities. In particular, the underwriters and agents may:

- over-allot in connection with the offering, *i.e.*, offer and apportion more of the debt securities

than the underwriters and agents have, creating a short position in the debt securities for their own accounts;

- bid for and purchase debt securities in the open market to cover over-allotments or to stabilize the price of the debt securities; or
- if the underwriters and agents repurchase previously-distributed debt securities, reclaim selling concessions which they gave to dealers when they sold the debt securities.

Any of these activities may stabilize or maintain the market price of the debt securities above independent market levels. The underwriters and agents are not required to engage in these activities, but, if they do, they may discontinue them at any time.

Selling Restrictions

Other than in the United States, neither Mexico nor the underwriters or agents has taken any action required to permit a public offering of any debt securities or distribution of this prospectus and any prospectus supplement in any jurisdiction where action for that purpose is required. Neither Mexico nor the underwriters or agents may offer or sell the debt securities or distribute or publish this prospectus, any accompanying prospectus supplement or any advertisement or other offering material in any jurisdiction, except in compliance with any applicable laws and regulations. The underwriters and agents will represent that all offers and sales by them will be made on the same terms. Each underwriter, agent and Mexico will, to the best of its knowledge and at its own expense, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers debt securities or has in its possession or distributes this prospectus, any applicable prospectus supplement or any other offering material.

Mexico and any underwriter or agent may modify these selling restrictions following a change in any relevant law, regulation or directive. Selling restrictions may also be added to reflect the requirements of any particular currency. The prospectus supplement issued for each series of debt securities will set out any modification or addition.

United States

Mexico will generally not register the securities that it will offer and sell outside the United States under the Securities Act. Thus, subject to certain exceptions, Mexico cannot offer, sell or deliver such securities sold outside the United States within the United States or to U.S. persons. When Mexico offers or sells securities outside the United States, each underwriter, agent or dealer will acknowledge that these securities:

- have not been and will not be registered under the Securities Act; and
- may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In addition, each underwriter, agent or dealer will represent and agree that:

- it has not and will not offer or sell any of these non-SEC registered securities within the United States, except in accordance with Rule 903 of Regulation S under the Securities Act; and
- neither it nor its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts regarding these securities.

This paragraph uses terms defined in Regulation S under the Securities Act.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each underwriter and agent will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of any series of debt securities which are the subject of the offering contemplated pursuant to the accompanying prospectus supplement to the public in that Relevant Member State (the “Securities”) except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

(a) if the prospectus supplement in relation to any offer of Securities specifies that an offer of

these Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-Exempt Offer”), following the date of publication of a prospectus in relation to such Securities which have been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the prospectus supplement contemplating such Non-Exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus, and Mexico has consented in writing to its use for the purpose of that Non-Exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant manager or managers nominated by Mexico for any such offer; or

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Securities referred to in (b) to (d) above shall require Mexico or any underwriter or agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of debt securities to the public” in relation to the Securities of any series in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe such Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

This prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Securities in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of an offering contemplated in this prospectus as completed by a prospectus supplement in relation to the offer of those Securities may only do so (i) in circumstances in which no obligation arises for Mexico or any underwriter or agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by a prospectus supplement which specifies that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or prospectus supplement, as applicable, and Mexico has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, Mexico has not authorized, nor will it or any underwriter or agent authorize, the making of any offer of Securities in circumstances in which an obligation arises for Mexico or any underwriter or agent to publish or supplement a prospectus for such offer.

The above selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

Each underwriter and agent will be required to represent and agree, 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 the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any debt securities in

circumstances in which Section 21(1) of the FSMA does not apply to Mexico;

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the debt securities in, from or otherwise involving the United Kingdom; and

(c) in relation to any debt securities having a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any debt securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the debt securities would otherwise constitute a contravention of section 19 of the FSMA by Mexico.

This prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). Any debt securities will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such debt securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Canada

The securities 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 securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (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 province 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.4 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), 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.

Republic of France

The debt securities may not be offered or sold or caused to be offered or sold, directly or indirectly, to the public in France and neither this prospectus, which has not been submitted to the clearance procedure of the French Autorité des marchés financiers (“AMF”), nor to a competent authority of another Member State of the European Economic Area that would have notified its approval to the AMF in accordance with the passport procedure provided under the EU Prospectus Directive 2003/71/EC as implemented in France and in the relevant Member State, nor any other offering material or information contained therein relating to the debt securities may be released, issued or distributed or caused to be released, issued or distributed, directly or indirectly, to the public in France, or used in connection with any offer for subscription, exchange or sale of the debt securities to the public in France.

Any such offers, sales and distributions may be made in France only to (i) qualified investors (*investisseurs qualifiés*) acting for their own account, and/or to (ii) investment services providers authorized to engage in portfolio management services on behalf of third parties and/or to (iii) fewer than 150 natural or legal persons (other than qualified investors) acting for their own account, all as defined in, and in accordance with, Articles L.411-2, II, D.411-1 and D.411-4, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier.

In the event that the debt securities purchased or subscribed by investors listed above are offered or

resold, directly or indirectly, to the public in France, the conditions relating to public offers set forth in Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Code monétaire et financier must be complied with. Investors in France and persons into whose possession offering materials come must inform themselves about, and observe, any such restrictions.

Germany

This prospectus does not constitute a Prospectus Directive-compliant prospectus in accordance with the German Securities Prospectus Act (Wertpapierprospektgesetz) and does therefore not allow any public offering in the Federal Republic of Germany (“Germany”) or any other Relevant Member State pursuant to § 17 and § 18 of the German Securities Prospectus Act. No action has been or will be taken in Germany that would permit a public offering of the securities, or distribution of a prospectus or any other offering material relating to the securities. In particular, no securities prospectus (Wertpapierprospekt) within the meaning of the German Securities Prospectus Act or any other applicable laws of Germany, has been or will be published within Germany, nor has this prospectus been filed with or approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) for publication within Germany.

Each manager will represent, agree and undertake, (i) that it has not offered, sold or delivered and will not offer, sell or deliver the securities within Germany other than in accordance with the German Securities Prospectus Act (Wertpapierprospektgesetz) and any other applicable laws in Germany governing the issue, sale and offering of securities, and (ii) that it will distribute in Germany any offering material relating to the securities only under circumstances that will result in compliance with the applicable rules and regulations of Germany.

This prospectus is strictly for use of the person who has received it. It may not be forwarded to other persons or published in Germany.

Italy

The offering of the debt securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation and, accordingly, no debt securities may be offered, sold or delivered, nor copies of this prospectus, any prospectus supplement

or any other documents relating to the debt securities may be distributed in Italy except:

(a) to “qualified investors”, as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “Decree No. 58”) and defined in Article 26, paragraph 1, letter d) of CONSOB Regulation No. 16190 of 29 October 2007, as amended (“Regulation No. 16190”) pursuant to Article 34-ter, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“Regulation No. 11971”); or

(b) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any offer, sale or delivery of the debt securities or distribution of copies of this prospectus, any prospectus supplement or any other documents relating to the debt securities in Italy must be:

(a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended (the “Banking Law”), Decree No. 58 and Regulation No. 16190 and any other applicable laws and regulations;

(b) in compliance with Article 129 of the Banking Law, and the implementing guidelines of the Bank of Italy, as amended; and

(c) in compliance with any other applicable notification requirement or limitation which may be imposed, from time to time, by CONSOB or the Bank of Italy or other competent authority.

Please note that, in accordance with Article 100-bis of Decree No. 58, where no exemption from the rules on public offerings applies, the subsequent distribution of the debt securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971.

Hong Kong

Each manager represents, warrants and agrees that the debt securities have not been offered or sold and will not be offered or sold in Hong Kong by means of any document other than (a) in

circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) (the “CWUMPO”), or (b) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “SFO”) and any rules made thereunder, or (c) in other circumstances which do not result in the document being a “prospectus” as defined in the CWUMPO.

No advertisement, invitation or document relating to the debt securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the debt securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

Japan

The debt securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”) and each underwriter and agent will represent and agree that it will not offer or sell any debt securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949, as amended)), or to others for re offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

The Netherlands

In addition and without prejudice to the EEA selling restrictions above, zero coupon debt securities in bearer form on which interest does not become due and payable during their term but only at maturity and other debt securities in bearer form that qualify as savings certificates (spaarbewijzen) within the meaning of the Dutch Savings Certificates Act (Wet inzake spaarbewijzen) may be transferred or accepted

only through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. and with due observance of the Dutch Savings Certificates Act and its implementing regulations (including the registration requirements), provided that no such mediation is required in respect of (i) the initial issue of such debt securities to the first holders thereof, (ii) any transfer and delivery by natural persons who do not act in the conduct of a profession or trade, and (iii) the issue and trading of such debt securities, if such debt securities are physically issued outside the Netherlands and not distributed in the Netherlands in the course of primary trading or immediately thereafter; in addition (i) certain identification requirements in relation to the issue and transfer of, and payment on, such debt securities have to be complied with, (ii) any reference in publications concerning such debt securities to the words “to bearer” is prohibited, (iii) so long as such debt securities are not listed at the regulated market operated by Euronext Amsterdam N.V., each transaction involving a transfer of such debt securities must be recorded in a transaction note, containing, at least, the name and address of the counterparty to the transaction, the nature of the transaction, and a description of the amount, registration number(s), and type of the debt securities concerned, and (iv) the requirement described under (iii) must be printed on such debt securities.

Each underwriter and agent will acknowledge and agree that it will not make an offer of the debt securities to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are (a) qualified investors as defined in the Prospectus Directive or (b) represented by eligible discretionary asset managers in accordance with Article 55 of the Exemption Regulation DFSA (Vrijstellingsregeling Wft), or (ii) a standard warning is used as required by Article 5:5(2) or 5:20(5) of the Dutch Financial Supervision Act (Wet op het financieel toezicht or DFSA), provided that no such offer of debt securities shall require Mexico or any underwriter or agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive. For the purpose of this paragraph the expression “Prospectus Directive” means Directive 2003/71/EC as amended and implemented in Dutch law.

Each underwriter and agent will furthermore acknowledge and agree that it will not make an offer of debt securities with a maturity of less than 12 months until the competent authority publishes its

interpretation of the term “public” (as referred to in Article 4.1(1) of Regulation (EU) No 575/2013), unless such debt securities either (a) have a minimum denomination of EUR 100,000, or (b) are offered solely to professional market parties (professionele marktpartij) within the meaning of the DFSA and the rules promulgated thereunder and, as soon as the competent authority publishes the interpretation of the term “public” as referred to in Article 4.1(1) of Regulation (EU) No 575/2013, to persons or legal entities that are part of the public within the meaning of Regulation (EU) No 575/2013 and the DFSA and the rules promulgated thereunder.

Spain

Each manager has represented and agreed that it has not offered, sold or distributed the debt securities, nor will it carry out any subsequent resale of the debt securities in Spain except in circumstances which do not constitute a public offer of securities in Spain within the meaning of Article 35 of the restated text of the Securities Markets Act approved by Royal Legislative Decree 4/2015, dated 23 October (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), Royal Decree 1310/2005 of 4 November (*Real Decreto 1310/2005 de 4 de noviembre*), and supplemental rules enacted thereunder.

Singapore

Neither this prospectus nor any prospectus supplement have been or will be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus, any prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the debt securities may not be circulated or distributed, nor may the debt securities be offered or sold, 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 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), 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 debt securities are subscribed or purchased in reliance on an exemption under

Sections 274 or 275 of the SFA, the debt securities may not be sold within the period of six months from the date of the initial acquisition of the debt securities, except to any of the following persons:

(a) an institutional investor (as defined in Section 4A of the SFA);

(b) a relevant person (as defined in Section 275(2) of the SFA); or

(c) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore (the “SFR”).

Where the debt securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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 of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (however described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the debt securities pursuant to an offer made under Section 275 of the SFA, except:

(1) to an institutional investor (as defined in Section 4A of the SFA) or to a relevant person (as defined in Section 275(2) of the SFA), or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the SFR.

Switzerland

The offer and sale of the debt securities is made in Switzerland exclusively on the basis of a private placement, not as a public offering. This prospectus is not intended to constitute an offer or solicitation to purchase or invest in the debt securities described herein. The debt securities may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the debt securities constitutes a prospectus as such term is understood pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations, or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd. or any other regulated trading facility in Switzerland, and neither this prospectus nor any other offering or marketing material relating to the debt securities may be publicly distributed or otherwise made publicly available in Switzerland.

Mexico

The debt securities have not been and will not be registered with the National Securities Registry maintained by the Mexican National Banking and Securities Commission (“CNBV”), and therefore may not be offered or sold publicly in Mexico. The debt securities may be offered or sold to qualified and institutional investors in Mexico, pursuant to the private placement exemption set forth under Article 8 of the Mexican Securities Market Law. As required under the Mexican Securities Market Law, Mexico will give notice to the CNBV of the offering of the debt securities under the terms set forth herein. Such notice will be submitted to the CNBV to comply with the Mexican Securities Market Law, and for informational purposes only. The delivery to, and receipt by, the CNBV of such notice does not certify the solvency of Mexico, the investment quality of the debt securities, or that the information contained in

this prospectus or in any prospectus supplement. Mexico has prepared this prospectus and is solely responsible for its content, and the CNBV has not reviewed or authorized such content.

Chile

NOTICE TO CHILEAN INVESTORS

The offer of the debt securities is subject to General Rule No. 336 of the Superintendencia de Valores y Seguros (SVS). The debt securities being offered will not be registered under the Securities Market Law (Ley de Mercado de Valores) in the Securities Registry (Registro de Valores) or in the Foreign Securities Registry (Registro de Valores Extranjeros) of the SVS and, therefore, the debt securities are not subject to the supervision of the SVS. As unregistered securities, we are not required to disclose public information about the debt securities in Chile. Accordingly, the debt securities cannot and will not be publicly offered to persons in Chile unless they are registered in the corresponding Securities Registry. The debt securities may only be offered in Chile in circumstances that do not constitute a public offering under Chilean law or in compliance with General Rule No. 336 of the SVS. Pursuant to General Rule No. 336, the debt securities may be privately offered in Chile to certain “qualified investors” identified as such therein (which in turn are further described in General Rule No. 216, dated June 12, 2008, of the SVS).

AVISO A INVERSIONISTAS CHILENOS

La oferta de los bonos se acoge a la Norma de Carácter General N°336 de la Superintendencia de Valores y Seguros. Los bonos que se ofrecen no están inscritos bajo la Ley de Mercado de Valores en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Superintendencia de Valores y Seguros, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de estos valores. Los bonos no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente. Los bonos solo podrán ser ofrecidos en Chile en circunstancias que no constituyan una oferta pública o cumpliendo con lo dispuesto en la Norma de Carácter General N°336 de la Superintendencia de Valores y Seguros. En conformidad con lo dispuesto por la Norma de Carácter General N°336, los bonos podrán ser ofrecidos privadamente a ciertos “inversionistas calificados,” identificados como tal en dicha norma

(y que a su vez están descritos en la Norma de Carácter General N°216 de la Superintendencia de Valores y Seguros de fecha 12 de junio de 2008).

Colombia

Any debt securities issued hereby have not been and will not be registered before the Colombian National Registry of Securities and Issuers or with any Colombian Securities Exchange or Trading System. This prospectus, as completed by a prospectus supplement, does not constitute and may not be used for, or in connection with, a public offering as defined under Colombian law or any marketing of the debt securities and shall be valid in Colombia only to the extent permitted by Colombian law. Any debt securities issued hereby may only be exchanged inside the Territory of the Republic of Colombia to the extent permitted by Colombian law. This prospectus is for the sole and exclusive use of the addressee as a designated individual/investor and is provided to such individual/investor at its request, and cannot be considered as being addressed to or intended for the use of any third party, including any of such party's shareholders, administrators or employees, or by any other third party resident in Colombia. The information contained in this prospectus is provided for assistance purposes only and may not be used to market or negotiate the debt securities hereby issued except in compliance with the promotional or advertisement activities (as defined under Colombian law), except in compliance with the requirements of the Colombian Financial and Securities Market Regulation (Decree 2555 of 2010, Law 964 of 2005 and Organic Statute of the Financial System) as amended and restated, and decrees and regulations made thereunder. No representation or warranty is made as to the accuracy or completeness of the information contained herein. Please note that, under Colombian regulations, any offering addressed to an undetermined number of persons or to 100 or more named individuals shall be considered as a public offering, requiring prior approval of Colombia's Superintendence of Finance and that the delivery of information that could be construed as marketing of the debt securities issued hereby to Colombian residents or within the territory of Colombia is forbidden unless certain prior requirements are met. However, please bear in mind that the Government of Colombia recently enacted Decree 2241 of 2015, pursuant to which international public offerings of securities authorized by certain foreign authorities, are offerings acknowledged and recognized by the Colombian Superintendence of Finance, and can

therefore be marketed directly in Colombia by the foreign issuer as well as by the local underwriters or dealers, as the case may be, appointed for purposes of such offerings. However, please also note that the Colombian Superintendence of Finance has not yet determined the foreign authorities to which this exception will apply.

Uruguay

The sale of any series of debt securities issued hereby qualifies as a private placement pursuant to section 2 of Uruguayan law 18.627. Mexico represents and agrees that it has not offered or sold, and will not offer or sell, any debt securities to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The sale of any series of debt securities hereunder is not and will not be registered with the Central Bank of Uruguay to be publicly offered in Uruguay.

Non-U.S. Offerings

Mexico will generally not register the securities that it will offer and sell outside the United States under the Securities Act. Thus, subject to certain exceptions, Mexico cannot offer, sell or deliver such securities sold outside the United States within the United States or to U.S. persons. When Mexico offers or sells securities outside the United States, each underwriter or dealer will acknowledge that the securities:

- have not been and will not be registered under the Securities Act; and
- may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each underwriter or dealer will agree that:

- it has not offered or sold, and will not offer or sell, any of these non-SEC-registered securities within the United States, except pursuant to Rule 903 of Regulation S under the Securities Act; and
- neither it nor its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts regarding these securities.

OFFICIAL STATEMENTS

Mexico has included the information in this prospectus, including in the documents incorporated by reference, whose source is identified as a publication of Mexico or one of its agencies or instrumentalities in reliance on the authority of the publication as a public official document. All other information that Mexico has provided in this

prospectus and in the related registration statement is included as a public official statement made on the authority of Alberto Torres García, Deputy Undersecretary for Public Credit of the Ministry of Finance and Public Credit of Mexico, or his successor.

VALIDITY OF THE SECURITIES

The following persons, whose addresses will appear on the inside back cover of the applicable prospectus supplement, will give opinions regarding the validity of the securities:

- *For Mexico:*
- as to all matters of Mexican law, the Fiscal Attorney of the Federation or the Deputy Federal Fiscal Attorney for Financial Affairs of Mexico or the Deputy Director General of Legal Procedures of Credit of the Ministry of Finance and Public Credit; and
- as to all matters of U.S. law, Cleary Gottlieb Steen & Hamilton LLP, U.S. counsel to Mexico.
- *For the underwriters, if any:*
- as to all matters of U.S. law, Sullivan & Cromwell LLP, or any other U.S. counsel to the underwriters named in the applicable prospectus supplement; and
- as to all matters of Mexican law, Ritch, Mueller, Heather y Nicolau, S.C., or any other Mexican counsel to the underwriters named in the applicable prospectus supplement.

As to all matters of Mexican law:

- Cleary Gottlieb Steen & Hamilton LLP may rely on the opinion of the Fiscal Attorney of the Federation or the Deputy Federal Fiscal Attorney for Financial Affairs of Mexico or the Deputy Director General of Legal Procedures of Credit of the Ministry of Finance and Public Credit; and
- Sullivan & Cromwell LLP, or any other U.S. counsel to the underwriters, may rely on the opinions of the Fiscal Attorney of the Federation or the Deputy Federal Fiscal Attorney for Financial Affairs of Mexico or the Deputy Director General of Legal Procedures of Credit of the Ministry of Finance and Public Credit and Ritch, Mueller, Heather y Nicolau, S.C., or any other Mexican counsel to the underwriters.

As to all matters of U.S. law:

- the Fiscal Attorney of the Federation or the Deputy Federal Fiscal Attorney for Financial Affairs of Mexico or the Deputy Director

General of Legal Procedures of Credit of the Ministry of Finance and Public Credit may rely on the opinion of Cleary Gottlieb Steen & Hamilton LLP; and

- Ritch, Mueller, Heather y Nicolau, S.C., or any other Mexican counsel to the underwriters, may rely on the opinion of Sullivan & Cromwell LLP, or any other U.S. counsel to the underwriters.

The Deputy Federal Fiscal Attorney for Financial Affairs of Mexico has given an opinion concerning all statements in this prospectus relating to matters of Mexican law, and Mexico has made such statements in reliance on the authority of the Deputy Federal Fiscal Attorney for Financial Affairs of Mexico.

AUTHORIZED REPRESENTATIVE

The Authorized Representative of Mexico in the United States is Donald J. Puglisi, Puglisi & Associates, 850 Library Avenue, Suite 204, Newark, Delaware 19711.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement that Mexico filed with the U.S. Securities and Exchange Commission using a shelf registration process. This prospectus does not contain all of the information provided in the registration statement. For further information, you should refer to the registration statement.

Mexico files annual reports and other information with the SEC relating to the securities. You can request copies of these documents, 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.
Washington, D.C. 20002

Please call the SEC at 1-800-SEC-0330 for further information. In addition, any filings we make electronically with the SEC will be available to the public over the Internet at the SEC's website at: www.sec.gov.

The SEC allows Mexico to incorporate by reference some information that Mexico files with the SEC. Incorporated documents are considered part of this prospectus. Mexico can disclose important information to you by referring you to those documents. Information that Mexico later files with the SEC will update and supersede this incorporated information. The following documents are incorporated by reference in this prospectus and any accompanying prospectus supplement:

- Mexico's Annual Report on Form 18-K for the year ended 2014 (the "Annual Report"), as filed with the SEC on October 28, 2015, SEC file number 333-03610; and
- each subsequent Annual Report on Form 18-K and any amendment on Form 18-K/A filed on or after the date of this prospectus and before all of the securities are sold.

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

Secretaría de Hacienda y Crédito Público
Unidad de Crédito Público Insurgentes
Sur 1971
Torre III, Piso 7
Colonia Guadalupe Inn
México, D.F. 01020
Telephone: 52-55-3688-1410

As long as any of the securities remain outstanding and are listed on the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, you may also obtain, free of charge, copies of Mexico's Annual Report on Form 18-K, each Amendment to the Annual Report on Form 18-K/A incorporated by reference herein, the amended and restated indenture dated as of June 1, 2015, between Mexico and Deutsche Bank Trust Company Americas, as trustee, this prospectus and any prospectus supplement at the office of the Luxembourg listing agent for the securities.

GLOSSARY

“Business Day” means any day that is not a Saturday or Sunday and that meets the following requirements, as applicable:

- *DTC book-entry securities and certificated securities denominated in U.S. dollars*: it is not a legal holiday or day on which banking institutions are authorized or required by law, regulation or executive order to close in The City of New York;
- *Euro-denominated debt securities*: it is a day on which (a) the Trans-European Automated Real-Time Gross Settlement Express Transfer System is operating and (b) commercial banks are open for dealings in euro deposits in the London interbank market;
- *Debt securities denominated in a currency other than U.S. dollars or euro*: it is (a) not a day on which banking institutions are authorized or required by law, regulation or executive order to close in the principal financial center of the country issuing the applicable specified currency and (b) a day on which banking institutions in such financial center are carrying out transactions in the specified currency;
- *Indexed debt securities*: it is not a day on which banking institutions are authorized or required by law, regulation or executive order to close in the place or places specified in the applicable prospectus supplement; and
- *LIBOR debt securities*: it is a London Banking Day.

“Calculation Date” means the earlier of (a) the fifteenth calendar day after the applicable interest determination date or, if this date is not a Business Day, the next Business Day and (b) the second Business Day before the relevant interest payment date or date of maturity, redemption or repayment.

“Commercial Paper Rate” means the rate determined by the calculation agent as of the applicable interest determination date as follows:

- the money market yield (calculated as described below) of the annual rate (quoted on a bank discount basis) published in H.15(519) under the heading “Commercial paper—Nonfinancial” for

commercial paper with the applicable indexed maturity;

- if the rate described above is not published in H.15(519) by 3:00 p.m., New York City time, on the Calculation Date, the Commercial Paper Rate will be the rate published in H.15 Daily Update for the interest determination date under the heading “Commercial paper—Nonfinancial” for commercial paper with the applicable indexed maturity;
- if neither of the rates described above is published by 3:00 p.m., New York City time, on the Calculation Date, then the calculation agent will select, with Mexico’s approval, three leading dealers of commercial paper in The City of New York to provide quotations of their offered annual rates, as of approximately 11:00 a.m., New York City time, on the interest determination date, for commercial paper with the applicable index maturity placed for an industrial company whose bond rating is “AA” or the equivalent from a nationally recognized rating agency; the Commercial Paper Rate will be the money market yield of the arithmetic mean of these rates;
- if fewer than three dealers provide quotations as described above, the Commercial Paper Rate will be the Commercial Paper Rate in effect on the interest determination date.

The money market yield of the rate or average of rates set forth above will be a yield, expressed as a percentage, calculated in accordance with the following formula:

$$\text{Money market yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable annual rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and “M” refers to the actual number of days in the interest period for which interest is being calculated.

“EURIBOR” means the rate determined by the calculation agent on the applicable interest determination date as follows:

- the offered rate (or if more than one such rate appears, the arithmetic mean of the offered rates)

for deposits in euro with the applicable index maturity beginning on the second Business Day after the interest determination date as it appears on the “EURIBOR01” page of the Reuters Monitor Money Rates Service (or a replacement or successor page or service) at approximately 11:00 a.m., Brussels time, on the interest determination date;

- if the rate described above is not available, the calculation agent will select, with Mexico’s approval, four major banks in the Euro-zone interbank market to provide, at approximately 11:00 a.m., Brussels time, on the interest determination date, quotations of their offered rates to prime banks in the Euro-zone interbank market for deposits in euro with the applicable index maturity in an amount of at least €1,000,000 and that is representative of a single transaction in the market for delivery on the interest reset date. If the calculation agent receives at least two of these quotations, then EURIBOR will be their arithmetic mean;
- if fewer than two banks provide quotations as described above, the calculation agent will select, with Mexico’s approval, three major banks in the Euro-zone interbank market to provide, at approximately 11:00 a.m., Brussels time, on the interest determination date, quotations for their offered rates for loans in euro to leading European banks with the applicable index maturity and a principal amount of at least €1,000,000 and that is representative of a single transaction in the market for delivery on the interest reset date. If the calculation agent receives at least three of these quotations, EURIBOR will be the arithmetic mean of these rates;
- if fewer than three banks provide quotations as described above, EURIBOR will be EURIBOR in effect on the interest determination date.

“European Monetary and Economic Union” means the Union formed by the 11 participating member states which introduced the single European currency known as the euro on January 1, 1999.

“Euro-zone” means the region comprised of participating member states of the European Union that have adopted the euro as its legal currency in accordance with the Treaty of Rome of March 25, 1957, as amended by the Single European Act of

1986 and the Treaty on European Union, signed in Maastricht, the Netherlands, on February 1, 1992.

“Federal Funds Rate” means the rate determined by the calculation agent as of the applicable interest determination date as follows:

- the rate for overnight federal funds as it is published in H.15(519) under the heading “Federal funds (effective)”;
- if the rate described above is not published by 3:00 p.m., New York City time, on the Calculation Date, then the Federal Funds Rate will be the rate as published in H.15 Daily Update for the interest determination date under the heading “Federal funds (effective)”;
- if neither of the rates described above is published by 3:00 p.m., New York City time, on the Calculation Date, then the calculation agent will select, with Mexico’s approval, three leading brokers of federal funds transactions in The City of New York to provide quotations of their rates, at approximately 9:00 a.m., New York City time, on the interest determination date, for the last transaction that they arranged of not less than U.S. \$5,000,000 in overnight federal funds; the Federal Funds Rate will be the arithmetic mean of these rates;
- if fewer than three brokers provide quotations as described above, the Federal Funds Rate will be the Federal Funds Rate in effect on the interest determination date.

“H.15 Daily Update” means the “Statistical Release H.15 Daily Update, Selected Interest Rates” or any successor publication of the Board of Governors of the Federal Reserve System, currently available on the world wide web at: <http://www.federalreserve.gov/releases/h15/update/>.

“H.15(519)” means the “Statistical Release H.15(519), Selected Interest Rates” or any successor publication of the Board of Governors of the Federal Reserve System, currently available on the world wide web at: <http://www.federalreserve.gov/releases/h15/>.

“LIBOR” means either of the following rates determined by the calculation agent on the applicable interest determination date as follows:

- the offered rate (or if more than one such rate appears, the arithmetical mean of such offered rates) for deposits in U.S. dollars with the applicable index maturity beginning on the second London Banking Day after the interest determination date as it appears on the “LIBOR01” page of the Reuters Monitor Money Rates Service (or a replacement or successor page or service) (the “Reuters Screen LIBO Page”) at approximately 11:00 a.m., London time, on the interest determination date;
- if the rate described above is not available, the calculation agent will select, with Mexico’s approval, four major banks in the London interbank market to provide, at approximately 11:00 a.m., London time, on the interest determination date, quotations of their offered rates to prime banks in the London interbank market for deposits in U.S. dollars with the applicable index maturity in an amount of at least U.S. \$1,000,000 and that is representative of a single transaction in the market for delivery on the second London Banking Day after the interest determination date. If the calculation agent receives at least two of these quotations, then LIBOR will be their arithmetic mean;
- if fewer than two banks provide quotations as described above, the calculation agent will select, with Mexico’s approval, three major banks in The City of New York to provide, at approximately 11:00 a.m., New York City time, on the interest determination date, quotations for their offered rates for loans in U.S. dollars to leading European banks with the applicable index maturity and a principal amount of at least U.S. \$1,000,000 and that is representative of a single transaction in the market for delivery on the second London Banking Day after the interest determination date. If the calculation agent receives at least three of these quotations, LIBOR will be the arithmetic mean of these rates;
- if fewer than three banks provide quotations as described above, LIBOR will be LIBOR in effect on the interest determination date.

“**London Banking Day**” means a day on which commercial banks are open for dealings in U.S. dollar deposits in the London interbank market.

UNITED MEXICAN STATES

Secretaría de Hacienda y Crédito Público

Insurgentes Sur 1971
Torre III, Piso 7
Colonia Guadalupe Inn
México, D.F. 01020

TRUSTEE

Deutsche Bank Trust Company Americas

60 Wall Street, 16th Floor
New York, New York 10005

REGISTRAR, TRANSFER AGENT AND PRINCIPAL PAYING AGENT

Deutsche Bank Trust Company Americas

60 Wall Street, 16th Floor
New York, New York 10005

LUXEMBOURG LISTING AGENT

KBL European Private Bankers S.A.

43 Boulevard Royal L-2955
Luxembourg, R.C.S., Luxembourg B 6395

LEGAL ADVISORS TO MEXICO

As to United States Law

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New York, New York 10006

As to Mexican Law

Fiscal Attorney of the Federation Ministry of Finance and Public Credit

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México, D.F. 03810

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New York, New York 10004

As to Mexican Law

Ritch, Mueller, Heather y Nicolau, S.C.

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México, D.F. 11040