



Investor Relations Office
MINISTRY OF FINANCE AND PUBLIC CREDIT

Tel: 011 (52) 55-91-58-14-59
Fax: 011 (52) 55-91-58-14-57
alexis_milo@hacienda.gob.mx
jeronimo_pastor@hacienda.gob.mx

THE FEDERAL GOVERNMENT INFORMS THE RESULTS OF THE DEBT EXCHANGE WARRANTS OFFERING

November, 2005

Debt Exchange Warrants' Offering

The Ministry of Finance informs the results of the debt exchange warrants offering.

Warrants are titles that give the holder the right, though not the obligation, to tender, on the exercise date, certain US dollar denominated bonds issued by the Federal Government in international markets for Development Bonds of the Federal Government Bearing a Fixed Interest Rate denominated in pesos and issued in Mexico (M Bonds).

The warrants' issuance was done through three series that correspond to different bond baskets eligible to be exchanged for specific M Bonds.

WARRANTS' OFFERING			
Series	USD Bonds Eligible to Exchange	M Bond Eligible to Receive	Exercise Date
XW5	UMS 9.875% 2007 UMS 8.625% 2008 UMS 10.375% 2009 UMS 9.875% 2010 UMS 8.375% 2011	2011 9.0% Bond	09/Nov/06
XW10	UMS 7.5% 2012 UMS 6.375% 2013 UMS 5.875% 2014 UMS 11.375% 2016	2014 9.5% Bond	10/Oct/06
XW20	UMS 8.125% 2019 UMS 8.0% 2022 UMS 11.50% 2026 UMS 8.3% 2031 UMS 7.50% 2033	2024 10.0% Bond	01/Sep/06

This press bulletin does not constitute either an offer to sell or a solicitation of an offer to buy any of the securities referred to herein.



Tel: 011 (52) 55-91-58-14-59
Fax: 011 (52) 55-91-58-14-57
alexis_milo@hacienda.gob.mx
jeronimo_pastor@hacienda.gob.mx

Investor Relations Office
MINISTRY OF FINANCE AND PUBLIC CREDIT

Results of the Offering The offering was very successful. Demand reached about USD 11.5 billion for the three warrant series and more than 60 institutional investors from North America, Europe and Mexico participated. The following table presents the amounts eligible for Exchange in each series.

WARRANTS' OFFERING	
Series	Amount Eligible for Exchange (million dollars)
XW5	1,000
XW10	1,000
XW20	500
TOTAL	2,500

Benefits of the Operation This is an innovative operation for which there was no precedent in international financial markets.

This operation is consistent with the general debt management strategy outlined in the National Program to Finance Development 2002-2006, which intends to reduce the share of external debt in the Federal Government's total debt.

If, at exercise date, the investors holding the warrants decide to exercise their right to tender global USD denominated bonds for M Bonds, further improvements in the internal-to-external debt ratio will be made due to the decrease of USD denominated liabilities as a percentage of total liabilities.

It is worth noting that with this operation the Federal Government debt remains constant because the instruments issued offer the possibility of exchanging external debt for internal debt. A total net debt reduction is only possible when a fiscal surplus is achieved, a situation that is not currently the case for Mexico.

Additional Considerations

The Federal Government reiterates its commitment to continue to strengthen the structure of the public debt portfolio. Therefore, whenever allowed by the economic and financial conditions, the Government will continue to carry out the necessary operations to insure the most favorable cost conditions for public debt in the medium and long-terms, subject to a prudent risk level.

This press bulletin does not constitute either an offer to sell or a solicitation of an offer to buy any of the securities referred to herein.