

PRICING SUPPLEMENT, dated May 1, 1997
(To Prospectus dated January 9, 1997 and
Prospectus Supplement dated January 23, 1997)



UNITED MEXICAN STATES
\$5,000,000,000 Global Medium-Term Notes, Series A
Due Nine Months or More From Date of Issue

ITL 500,000,000,000 11% Notes due 2017

THE OFFERED NOTES (AS DEFINED BELOW) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND INCLUDE NOTES IN BEARER FORM THAT ARE SUBJECT TO UNITED STATES TAX LAW REQUIREMENTS. THE OFFERED NOTES ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

- Aggregate Principal Amount:** ITL 500,000,000,000
- Issue Price:** 100.00%
- Original Issue Date:** May 8, 1997
- Maturity Date:** May 8, 2017
- Specified Currency:** Italian Lira ("ITL" or "Lira"). See "Description of the Notes".
- Authorized Denominations:** ITL 5,000,000 and ITL 50,000,000
- Form:** The Offered Notes will initially be represented by a temporary global bearer note (the "Temporary Global Bearer Note"), without interest coupons, to be deposited on or about the Original Issue Date with a common depository for the operator of Euroclear and Cedel for credit, against payment, to the accounts designated by the relevant purchasers with Euroclear or Cedel. The Temporary Global Bearer Note will be exchangeable for Offered Notes in definitive bearer form (the "Definitive Notes") not earlier



than the 40th day after the later of the commencement of the offering or the Original Issue Date, only upon (a) receipt by Euroclear or Cedel, as applicable, of certification that the beneficial owners of such interests in the Notes are not United States persons (as defined below) and (b) receipt by the Fiscal Agent of a like certification from Euroclear and/or Cedel as applicable (based on the certifications they have received), that the beneficial owners of such interests in the Notes are not U.S. persons. The holder of an interest in the Temporary Global Bearer Note will not be entitled to collect any payment of interest until its interest in such Temporary Global Bearer Note has been exchanged for Definitive Notes.

Method of Offering:

U.S. Offering

Non-U.S. Offering

Interest Rate:

11% per annum (fixed rate), payable in arrears

Interest Payment Dates:

May 8 of each year, commencing on May 8, 1998; provided that if any Interest Payment Date is not a Business Day, such payment shall be made on the next succeeding Business Day with the same force and effect as if made on such Interest Payment Date, and no additional interest shall accrue as a result of such delayed payment

Indexed Note:

Yes No

Foreign Currency Note:

Yes No

Purchasers:

Deutsche Bank AG London, Chase Manhattan International Limited, Banca Commerciale Italiana, Banca Nazionale del Lavoro S.p.A., Credito Italiano S.p.A., J.P. Morgan Securities Ltd., ARCA SIM S.p.A., BANCA POPOLARE COMMERCIO E INDUSTRIA SOC. COOP. A R.L., Banca Popolare FriulAdria SCRL, Caboto Holding SIM S.p.A., CARIPLO-Cassa di Risparmio delle Provincie Lombarde SpA, CARISBO S.P.A., I.C.C.R.I. SPA, Istituto Bancario San Paolo di Torino S.p.A., Nacional

Financiera London Branch, Swiss Bank Corporation and Yamaichi International (Europe) Limited

Purchase Price: 99.30%

Pre-Closing Date and Time: 3:00 p.m. (London time) on May 7, 1997

Closing Date: May 8, 1997

Place of Delivery of Offered Notes: The Offered Notes shall be delivered through a common depository for Euroclear and Cedel, and will be eligible for trading through Euroclear and Cedel.

Method of Payment: Wire transfer of immediately available funds to an account designated by Mexico

Listing: Luxembourg Stock Exchange

Common Code: 7586612

ISIN No.: XS0075866128

Fiscal Agent: Citibank, N.A., New York

London Paying Agent: Citibank, N.A., London

Luxembourg Paying Agent: Citibank (Luxembourg) S.A.

Exchange Rate Agent: Citibank, N.A., New York

Other Provisions: (a) Payments on the Offered Notes will be made in the Specified Currency; provided that if Mexico determines that the Specified Currency is not available for making payments on the Offered Notes due to the imposition of exchange controls or other circumstances beyond Mexico's control, or is no longer used by the Republic of Italy or for the settlement of international transactions by public institutions of or within the international community, then payments on the Offered Notes shall be made in U.S. dollars until Mexico determines that the Specified Currency is again available for making such payments. In such circumstances, U.S. dollar payments in respect of the Offered Notes shall be made in the manner

specified in the accompanying Prospectus Supplement (the "Prospectus Supplement") under "Description of Notes — Payment of Principal and Interest". Holders of the Offered Notes will not have the option to elect payments in U.S. dollars.

(b) Pursuant to the Terms Agreement, Section 9(b) of the Selling Agency Agreement has been replaced with the following provision:

Deutsche Bank AG London, on behalf of the Managers, may (after consultation with Mexico), by notice to Mexico given at any time prior to payment of the net subscription moneys for the Offered Notes to Mexico, terminate the Terms Agreement in any of the following circumstances:

(i) if any of the conditions specified in Section 6 of the Selling Agency Agreement has not been satisfied or waived by Deutsche Bank AG London on or prior to the Closing Date; or

(ii) if, in the opinion of Deutsche Bank AG London, there shall have been such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in their view be likely to prejudice materially the success of the offering and distribution of the Offered Notes or dealings in the Offered Notes in the secondary market.

(c) Payments in respect of the Offered Notes will be made only at the London Paying Agent or the Luxembourg Paying Agent, or at the offices of such other paying agents outside the United States as Mexico may from time to time appoint. If such payment at the offices of all such paying agents outside the United States becomes illegal or is effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, Mexico will appoint an office or agent in the United States at which such payment may be made.

DESCRIPTION OF THE NOTES

The description herein of the particular terms of the ITL 500,000,000,000 11% Notes due 2017 (the "Offered Notes") supplements, and to the extent inconsistent therewith replaces, the descriptions of the general terms and provisions of the Notes set forth in the Prospectus Supplement and of the Debt Securities set forth in the accompanying Prospectus (the "Prospectus"), to which descriptions reference is hereby made.

Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Prospectus Supplement. For the purposes hereof, the terms "Notes," "Fixed Rate Notes" and "Foreign Currency Notes" used in the Prospectus Supplement and the terms "Securities" and "Debt Securities" in the Prospectus shall include the Offered Notes. References herein to "Italian Lira" and "Lira" are to the lawful currency of the Republic of Italy ("Italy"), as the same may be replaced from time to time, including by the Euro. See "Exchange Rates." It is currently anticipated that the Lira will be replaced as a matter of law by the Euro after (i) the starting date of the third stage of the Economic and Monetary Union ("EMU") as contemplated in Article 109 l(4) of the treaty establishing the European Community and (ii) Italy has become a participating member state, at the conversion rate established pursuant to such Article 109 l(4).

The holder of an interest in the Temporary Global Bearer Note will not be entitled to collect any payment of interest or principal until its interest in such Temporary Global Bearer Note has been exchanged for Definitive Notes.

Each definitive Note in bearer form will carry the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections referred to in such legend provide that United States Persons (as defined below), with certain exceptions, will not be entitled to deduct any loss, and will not be entitled to capital gains treatment of any gain, with respect to any sale, disposition or payment of principal of the Notes for United States federal income tax purposes.

For purposes of the preceding paragraph and the discussion set forth above under "Form", the term "United States Person" means a holder of a Note who is a citizen or resident of the United States, or is a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust's administration and (ii) one or more United States fiduciaries have the authority to control all of the trust's substantial decisions.

EXCHANGE RATES

The Lira is the official currency of Italy.

Reference is made to “Description of Notes—Payment of Principal and Interest”, “Important Currency Information” and “Currency Risks and Risks Associated with Indexed Notes” in the Prospectus Supplement for a general discussion of the exchange rate, exchange control and currency control risks associated with an investment in Notes such as the Offered Notes.

The table below sets forth historical average exchange rates for the Italian Lira as against the U.S. dollar for the month of April in the years 1993 through 1997 and for the years 1992 through 1996. Monthly and annual averages are based on the daily noon buying rates for cable transfers in The City of New York certified for customs purposes by the Federal Reserve Bank of New York (the “FRBNY Exchange Rate”).¹

<u>Average for the Period</u>	<u>Lire/U.S. \$</u>
1992	1232.17
April 1993	1536.14
1993	1573.41
April 1994	1626.07
1994	1611.49
April 1995	1710.89
1995	1629.45
April 1996	1565.60
1996	1542.76
April 1997	1694.52

On May 1, 1997, the FRBNY Exchange Rate for U.S. dollars against the Italian Lira was $ITL\ 1703.50 = \$1.00$.

On November 25, 1996, the Lira rejoined the European Monetary System (the “EMS”) as a participating currency, having withdrawn on September 17, 1992 due to its significant devaluation relative to other member currencies. As a participating currency of the EMS, the Lira is permitted to fluctuate within a margin of approximately 15% (in either direction) with respect to other member currencies. Its value relative to other currencies is determined by supply and demand conditions in the foreign exchange market. The Bank of

¹ Source: Federal Reserve Statistical Release G.5A(405) for 1992-1996 and Release G.5(405) for April 1993-April 1997.

Italy, Italy's central bank, intervenes to maintain orderly market conditions and to avoid excessive fluctuations in the value of the Lira against other currencies, including the U.S. dollar. No assurance can be given that the Bank of Italy will intervene at any time to support the value of the Lira or otherwise; that, if it does intervene, it will be successful; or that the Lira will not be withdrawn as a participating currency of the EMS.

The Government of Italy has expressed its commitment for Italy to join the European Union's EMU in 1999. In order to do so, *inter alia*, the Lira must remain a member of the EMS for a period of two years. The currencies of eligible members of the EMU are expected to be replaced, subject to legislation not yet enacted, by a single currency, which is expected to be denominated the "Euro", on or prior to January 1, 2002, with a transition phase expected to commence on January 1, 1999. No assurance can be given that Italy will become or remain a member of the EMU, that the Euro will be established or that, if established, the Lira will be replaced by the Euro.

PLAN OF DISTRIBUTION

Mexico entered into a Terms Agreement dated May 1, 1997 (the "Terms Agreement"), with Deutsche Bank AG London, Chase Manhattan International Limited, Banca Commerciale Italiana, Banca Nazionale del Lavoro S.p.A., Credito Italiano S.p.A., J.P. Morgan Securities Ltd., ARCA SIM S.p.A., BANCA POPOLARE COMMERCIO E INDUSTRIA SOC. COOP. A R.L., Banca Popolare FriulAdria SCRL, Caboto Holding SIM S.p.A., CARIPLO-Cassa di Risparmio delle Province Lombarde SpA, CARISBO S.P.A., I.C.C.R.I. SPA, Istituto Bancario San Paolo di Torino S.p.A., Nacional Financiera London Branch, Swiss Bank Corporation and Yamaichi International (Europe) Limited (the "Managers"). Pursuant to the Terms Agreement, Mexico will sell the Offered Notes to the Managers, as principals, for resale to one or more investors initially at a fixed reoffer price of 100.00% until Deutsche Bank AG London determines otherwise and, thereafter, at varying prices from time to time related to prevailing prices at the time of resale. Mexico will be obligated to sell, and the Managers will be obligated jointly and severally to purchase, all of the Offered Notes if any are purchased.

Mexico reserves the right to increase the size of this issue, or from time to time, without the consent of the holders of the Offered Notes, create and issue further notes either having the same terms and conditions, or the same except for the amount of the first payment of interest and the initial Rate of Interest applicable thereto, which additional notes may be consolidated and form a single series with the Offered Notes.

In connection with this issue, Deutsche Bank AG London may over-allot or effect transactions which stabilize or maintain the market prices of the Offered Notes at a level which might not otherwise prevail. Such stabilizing, if commenced, may be discontinued at any time.

The Offered Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Offered Notes may not be offered or sold within the United States, or to, or for the benefit or account of, United States persons. Each Manager

has agreed that, except as permitted by the Terms Agreement, it will not offer or sell the Offered Notes as part of their distribution at any time within the United States or to, or for the account or benefit of, United States persons.

Notes in bearer form are subject to United States tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by United States Treasury regulations. Terms used in this paragraph have the meanings given them by the United States Internal Revenue Code and the United States Treasury regulations thereunder.

In addition, through and including the 40th day after the commencement of the offering, an offer or sale of the Offered Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each Manager has represented and agreed that (i) it has not offered or sold and will not offer or sell Notes and has not published or distributed and will not publish or distribute the Pricing Supplement, the Prospectus, as supplemented by the Prospectus Supplement, or any other documents in draft or in definitive form relating to the Notes, for or to the public in the Republic of Italy; (ii) any offering of the Notes in the Republic of Italy (a) will be made only to professional investors (as defined in Article 4(1) of Consob Resolution No. 6430 of August 26, 1992, as subsequently amended), (b) will be preceded and followed by the communications to Consob required by such resolutions, (c) if required by Article 129 of Legislative Decree No. 385 September 1, 1993, as subsequently amended, will be preceded and followed by communication to the Bank of Italy in accordance with the relevant CICR and the Bank of Italy regulations and (d) will be conducted in accordance with any relevant limitation the Bank of Italy may impose upon the offer or sale of the Notes. Individual sales of the Notes to any persons in the Republic of Italy may only be made in accordance with Italian securities, tax and other applicable laws and regulations. In addition, each Manager has represented and agreed that any offer or sale of the Notes to any person in the Republic of Italy will only be made by or through an investment firm or a bank authorized or permitted to conduct such activity in Italy, in each case acting in compliance with the relevant provisions of Legislative Decree No. 415 of July 23, 1996 and any other applicable laws and regulations.

By entering into the Terms Agreement, each Manager represented and agreed that it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Offered Notes in, from or otherwise involving the United Kingdom.

Mexico will file a Notice with the Special Section of the National Registry of Securities and Intermediaries of Mexico (the "Registry") maintained by the Mexican National Banking and Securities Commission in order to register the Offered Notes therewith. Registration of the Offered Notes with the Registry does not imply any certification as to the investment quality of the Offered Notes, the economic condition of Mexico or the accuracy or completeness of the information contained herein or in the Prospectus or Prospectus Supplement. The Offered Notes may not be offered or sold publicly in Mexico.