



## REPORT ON PUBLIC FINANCES AND PUBLIC DEBT

### Actions and Results as of the Fourth Quarter of 2011

- *The expansion of the Mexican economy continued in the fourth quarter of 2011.*
- *At the end of 2011, the public deficit **excluding PEMEX's investment was 0.6% of GDP. Including PEMEX's investment**, it amounted to 2.5% of GDP. This is consistent with the annual target approved by Congress and the applicable provisions for the 2011 fiscal year.*
- *Budgetary revenues increased 6.8% due to higher oil revenues, tax revenues and own revenues from public entities under direct budgetary control.*
- *Total expenditures increased by 5.3% in real terms. Within, a significant increase was observed in expenditures for social development and public security.*
- *At the end of 2011, the net debt of the Federal Public Sector and the Historical Balance of the Public Sector Borrowing Requirements represented 32.4% and 36.5% of GDP, respectively.*

The Report on Public Finances and Public Debt for the Fourth Quarter of 2011 was published today. The following results are worth highlighting:

- GDP is estimated to have increased by 4.0% in real annual terms during 2011 and to have maintained a high growth rate of 3.7% during the fourth quarter of 2011.
- In December of 2011, the number of workers affiliated to IMSS registered an annual increase of 590 thousand 797 jobs (4.0%).
- In November 2011, credit from commercial and development banks to the private sector increased by 12.0% in real annual terms, with positive growth in all of its components.
- The public deficit was Ps. 355.5 billion as of the fourth quarter of 2011, a result consistent with the approved budget deficit for the year and the applicable provisions for the fiscal year; as a percent of GDP, the deficit declined from 2.8% en 2010 to 2.5% in 2011. Excluding **PEMEX's investment**, the public deficit was Ps. 88.3 billion, declining from 0.8% to 0.6% of GDP between 2010 and 2011.
- **The Public Sector's Borrowing Requirements were Ps. 392.8 billion**, amount equivalent to 2.8% of GDP, smaller by 0.7 percentage points of GDP with respect to that in 2010.



- In 2011, the revenues of the Public Sector increased by 6.8% in real annual terms. Within, oil revenues, non-oil tax revenues and own revenues of public entities under direct budgetary control other than PEMEX increased by 9.3, 5.7 and 8.5%, respectively.
- During 2011, budgetary revenues were above the programmed amount by Ps. 214.3 billion. This resulted mainly from higher oil revenues, non-tax revenues of the Federal Government and revenues of entities under direct budgetary control, which were partially offset by non-oil tax revenues that were below program due to higher VAT rebates and by a lower than expected collection from the joint Income Tax-Unique Rate Corporate Tax-Tax on cash deposits and from the IEPS on tobacco. Excess revenues were distributed following the existing provisions for the 2011 fiscal year.
- Total expenditures of the Public Sector were higher by 5.3% in real annual terms. Programmable expenditures increased by 5.6% in real terms. Worth highlighting are the increases in expenditures allocated to social development and public security.
- Shared revenues with States and Municipalities increased by 5.5% in real terms, while the rest of the resources allocated to States and Municipalities increased by 6.1%.
- The financial cost of the Public Sector increased by 3.6% in real annual terms, which allowed for the ratio of financial cost to GDP to continue declining.
- Regarding domestic debt, the actions that were carried out led to a strengthening of the structure of liabilities and fostered the development and efficiency of the local debt market. It is worth highlighting that swap operations and issuance through the syndicated mechanism remained in use.
- With respect to the management of external debt, a constant presence in international capital markets was maintained, leading to a greater and more diversified investor base. Worth noting is the reopening of the 100 year Bond made in August, with a financial cost that was lower than the one in the initial issue in October 2010.
- **At the end of 2011, the Federal Public Sector's net debt** – which includes the Federal Government, Public Entities under Direct Budgetary Control and Development Banks – was 32.4% of GDP, amount higher by 1.9 percentage points with respect to that observed at the end of 2010. The Historical Balance of the Public Sector Borrowing Requirements was 36.5% of GDP, higher by 1.6 percentage points than the one observed at the end of 2010. More than two thirds of the increase is explained by the exchange rate depreciation observed at the end of the period.



## Economic Outlook

During the fourth quarter of 2011, the expansion of the Mexican economy continued, as suggested by the evolution of the main macroeconomic indicators. Whilst the growth rate moderated slightly, it remained positive and high. This evolution is explained primarily by a deceleration of external demand. It is worth noting that industrial production in the United States lost dynamism during the second semester of 2011, which affected the evolution of non-oil exports. In the external sector, the increase in uncertainty associated with the imbalances in several industrial countries – primarily those related to the fiscal and financial situation in some countries of the euro zone – and its effects on international financial markets and global economic growth are also worth highlighting.

On the other hand, internal demand continued to grow at a high rate, which offset the lower expansion in external demand. Growth in consumption and private sector investment was supported by the expansion of formal employment and credit. Likewise, a high level of public investment continued to be observed.

Gross Domestic Product (GDP) is estimated to have grown by approximately 4.0% in real terms during 2011, maintaining a high growth rate of 3.7% in real terms during the fourth quarter of 2011.

As of December 31<sup>st</sup>, 2011, the number of workers affiliated at IMSS reached 15 million 202 thousand 426 people, a level that implies an annual increase of 590 thousand 797 jobs (4.0%). By type of contract, permanent jobs increased by 440 thousand 902 workers (74.6% of the total) and temporary jobs increased by 149 thousand 895 workers (25.4% of the total).

In December 2011, inflation was 3.82%, 68 basis points above the figure registered in September (3.14%). At the end of December, the stock market index (IPyC) of the Mexican Stock Exchange (BMV) stood at 37,077.5 points which implied an increase of 10.7% with respect to the end of September 2011, and the exchange rate closed at 13.97 pesos per dollar which implied a marginal depreciation of 0.6% with respect to the level at the end of September (13.88 pesos per dollar).

In November 2011, total credit from commercial and development banks grew by 9.1% in real annual terms. Within, credit to the private sector registered a 12.0% increase. Credit for consumption, housing and firms recorded increases of 19.5, 6.4 and 11.1% in real annual terms, respectively.



## Public Finances

At the end of 2011, the public balance registered a deficit of Ps. 355.5 billion, result consistent with the approved budget deficit for the year and the applicable provisions for the fiscal year. Excluding **PEMEX's investment**, the public balance registered a deficit of Ps. 88.3 billion. As a percentage of GDP, both deficits declined with respect to the ratio observed in 2010: from 2.8 to 2.5% of GDP in the first case and from 0.8 to 0.6% of GDP in the second.

Budgetary revenues of the Public Sector were Ps. 3,269.6 billion, higher by 6.8% in real annual terms. The aforementioned is a result of the following factors:

- Oil revenues increased by 9.3% in real annual terms as a result of the increase in the price of crude oil by 39.3%, which was partially compensated by a decrease in the oil production platform by 1.0%, the increase in the real value of imports of oil-related products by 42.0%, the appreciation of the exchange rate by 6.1% and the high comparison base due to the use of Ps. 30 billion from **Pemex's Stabilization Fund (FEIPEMEX)** in 2010. If the use of these last resources is excluded from the comparison base, an increase of 12.8% in real terms is observed.
- Non-oil tax revenues increased by 5.7% in real annual terms. Within, real increases of 10.4, 8.1, 6.0 and 2.9% were observed in the collection of the IEPS, the joint collection of the Income Tax-Unique Rate Corporate Tax-Tax on Cash Deposits, import taxes and VAT, respectively.
- Revenues of public entities under direct budgetary control other than PEMEX increased by 8.5% in real terms due to higher social security contributions and sales of electricity.
- Non-tax revenues of the Federal Government decreased by 4.0% in real terms due to the high non-recurrent revenues registered in 2010.

With respect to the amount established in the **Federation's Revenue Law** for 2011, budgetary revenues were higher by Ps. 214.3 billion (7.0%). Within, oil revenues were higher by Ps. 95.1 billion, non-tax revenues of the Federal Government were higher by Ps. 88.7 billion and own revenues of public entities other than PEMEX were higher by Ps. 66.5 billion. Non-oil tax revenues were lower by Ps. 35.6 billion mainly due to: i) higher VAT tax rebates during 2011, which increased by 14.0% in real annual terms, ii) the collection of the joint Income Tax-Unique Rate Corporate Tax-Tax on Cash Deposits was lower than expected by Ps. 9.3 billion, since rebates and compensations showed a significant increase of 24.9% in real terms, and iii) IEPS collection was lower than expected by Ps. 10.3 billion mainly due to the excise on tobacco products, being worth remembering that the objective of the IEPS increase in 2011 was to reduce cigarette consumption. Surplus revenues were distributed according to the provisions in force for the 2011 fiscal year: Ps. 193.7 billion of non-tax revenues and own revenues generated by public entities under direct budgetary control were allocated to ministries, entities under direct budgetary control and federal



entities, and Ps. 20.6 billion for expenditures associated with natural disasters.

The balance of the stabilization funds was Ps. 44.9 billion as of December 31<sup>st</sup>, 2011.

<b>Balance of Stabilization Funds As of December 31<sup>st</sup>, 2011 (Million pesos)</b>	
<b>Total</b>	<b>44,926.4</b>
FEIP (Federal Government)	11,036.2
FEIEF (States)	5,554.8
FEIIPEMEX (PEMEX)	1,312.9
FARP (Pensions)	27,022.5

During 2011, the policy guiding public expenditures was mainly oriented to the strengthening of three areas: economic activity, competitiveness and the creation of more and better jobs; supporting social development, with special attention to education, health and poverty alleviation, and the fight against organized crime.

In addition, the efforts concerning budgetary austerity have continued. These efforts focus on improving the quality of public expenditures in order to reduce administrative, operational and personnel service expenditures in order to allocate a higher amount of resources to social programs, infrastructure development and the provision of public services.

In this context, within the framework of the National Program for Reducing Public Expenditure (NPRPE) and in order to achieve the savings objective of Ps. 40.1 billion during the period 2010-2012, the savings attained by the ministries and entities of the Federal Public Administration reached Ps. 14.9 billion by the end of 2011, an amount 6.2 billion higher than the one reported last quarter. Considering the Ps. 27.3 billion saved during 2010 and the results during the current fiscal year, the amount saved by the end of 2011 adds up to Ps. 42.2 billion, so the target established for the last three years of the current administration has been exceeded by Ps. 2.6 billion one year ahead of schedule.

During 2011, total Public Sector expenditures amounted to Ps. 3,629.9 billion, amount 5.3% higher in real annual terms. Programmable expenditures stood at Ps. 2,859.8 billion implying an increase of 5.6% in real terms. The following results are worth highlighting in the evolution of public expenditures during this period:



- Expenditures on social development increased by 6.8% in real terms. Within, there were significant real increases in resources allocated to social assistance, social security and health (37.0, 9.6 and 8.8%, respectively).
- Expenditures allocated to security and justice increased by 21.6% in real terms, and those for National Security increased by 16.6% in real terms.
- Physical budgetary and fostered investments increased by 1.1 and 0.7% in real terms, respectively. Excluding investment by PEMEX, budgetary and fostered investments increased by 4.8 and 3.9% in real terms, respectively.
- Federal resources transferred to States and Municipalities through shared revenues, federal contributions, wage and economic provisions, decentralization agreements, reallocations and other transfers increased by 5.9% in real terms. Shared revenues increased by 5.5% in real terms while the remaining resources allocated to the governments of States and Municipalities increased by 6.1% in real annual terms.
- Total expenditures on personnel services increased by 4.2%, mainly due to the increase in other Government branches and Autonomous Organisms (7.1% in real terms), entities under direct budgetary control (6.0% in real terms) and federalized expenditures (2.6% in real terms). Those observed in ministries and the INEGI increased by only 1.1% in real terms.
- Pensions and retirement expenditures recorded a real annual increase of 9.1%.
- The financial cost of the Public Sector increased by 3.6% in real annual terms, mainly as a result of the approved public deficit. The declining trend in this indicator as a percent of GDP continued, changing from 2.0% of GDP in 2010 to 1.9% in 2011.



### Public Debt

Public credit policy during 2011 maintained the strategy of covering the **Federal Government's** requirements at the lowest cost possible considering a long-term horizon, while maintaining a risk level compatible with a healthy evolution of public finances and the development of the local financial markets. Under this strategy, most of the deficit of the Federal Government was financed in the local debt markets during 2011, using external financing in a complementary fashion.

The actions carried out concerning domestic debt led to a strengthening of the structure of liabilities and fostered the development and efficiency of local debt markets. It is worth highlighting that, during the year, swap operations continued and the mechanism of syndicated issuance remained in use. In addition, the effort to reach a greater number of citizens with the *cetesdirecto* scheme continued in 2011 by improving its service, simplifying the registration scheme and improving its operation platform.

Regarding external debt, an active presence in international capital markets has continued. During the year, 3 issuances in international capital markets took place, with the financial cost obtained by the Federal Government registering historically low levels, confirming the positive perspective of investors on the credit risk of the Federal Government. These operations allowed the widening and diversification of the investor base. Worth noting is the reopening of the 100 year Bond made in August, with a financial cost that is lower than the one in the initial issuance on October 2010.

In addition, it is important to highlight that the Annual Financing Plan for 2012 (PAF 2012) was published in December, outlining the main objectives and guidelines for public debt management in 2012. As stated in the PAF 2012, public credit policy will be oriented at covering the financial requirements of the Federal Government attaining a balance between domestic and foreign debt that reduces the financing costs over time with a prudent level of risk. This policy has been designed considering possible risk scenarios whilst at the same time strengthening the diversity of access to financing for the Federal Government.

**The stock of the Federal Government's net domestic debt at the end of the fourth quarter of 2011** was Ps. 3,129.5 billion, amount higher by Ps. 320.6 billion than the one observed at the end of 2010. This variation is the result of: a) a net indebtedness by Ps. 274.5 billion, b) a decline in the financial assets of the Federal Government by Ps. 11.2 billion, and c) upward accounting adjustments by Ps. 34.9 billion derived, mainly, from the inflation adjustment of indexed domestic debt.

The average maturity of domestic debt increased by 0.41 years (149 days), changing from 7.20 to 7.61 years in the same period. This was the result of the adjustments in the auction program of



government securities, the issuance of long-term securities and the syndicated issuances performed during 2011.

At the end of the fourth **quarter of 2011, the stock of the Federal Government's net external debt** stood at USD 59.9 billion. This amount represents 5.6% of GDP.

At the end of the fourth **quarter of 2011, the Federal Public Sector's net debt, which includes the net debt of the Federal Government, PEDBC's and development banks, was 32.4%** of GDP, a level 1.9 percentage points higher than the one observed at the end of 2010. Net domestic debt was 21.8% of GDP, an amount 0.7 percentage points above the one observed at the end of 2010. Net external debt was 10.6% of GDP, higher by 1.2 percentage points with respect to the level observed at the end of 2010. A significant part of the increase is explained by the depreciation of the exchange rate at the end of the period.

At the end of the fourth quarter of 2011, the Historical Balance of the Public Sector Borrowing Requirements, which includes the **Public Sector's liabilities in their broadest version, amounted to Ps. 5,473.7 billion**, equivalent to 36.5% of GDP, amount higher by 1.6 percentage points with respect to that observed at the end of 2010.



ANNEX

PUBLIC SECTOR OVERALL BALANCE  
(Million pesos)

Concept	January - December		Real % Growth	Composition %	
	2010	2011 <sup>p_/</sup>		2010	2011 <sup>p_/</sup>
<b>PUBLIC BALANCE</b>	<b>-370,520.4</b>	<b>-355,490.8</b>	<b>n.s.</b>		
<b>PUBLIC BALANCE EXCLUDING PEMEX'S INVESTMENT</b>	<b>-102,006.0</b>	<b>-88,287.3</b>	<b>n.s.</b>		
I. Budgetary Balance (a-b)	-373,505.3	-360,218.6	n.s.		
a) Budgetary Revenues	2,960,443.0	3,269,631.3	6.8	100.0	100.0
Oil related	973,038.2	1,100,270.5	9.3	32.9	33.7
Federal Government	587,601.1	706,560.5	16.3	19.8	21.6
PEMEX	385,437.1	393,710.0	-1.2	13.0	12.0
Non-oil related	1,987,404.8	2,169,360.8	5.6	67.1	66.3
Federal Government	1,492,411.9	1,613,763.8	4.6	50.4	49.4
Tax	1,314,282.0	1,436,891.2	5.7	44.4	43.9
Non-tax	178,129.9	176,872.6	-4.0	6.0	5.4
PEDBC	494,992.9	555,597.0	8.5	16.7	17.0
b) Net Budgetary Expenditures	3,333,948.4	3,629,849.9	5.3	170.5	171.4
Programmable	2,618,907.4	2,859,828.9	5.6	78.6	78.8
Programmable <b>excluding PEMEX's investment</b>	2,350,392.9	2,592,625.4	6.7	70.5	71.4
Non programmable	715,041.0	770,020.9	4.1	21.4	21.2
II. PEIBC	2,984.9	4,727.8	53.2		
Primary Balance	-113,725.1	-78,121.5	n.s.		

Note: Figures may not add up due to rounding.

p\_/ Preliminary figures.

n.s.: not significant.

Source: Ministry of Finance and Public Credit.

## PUBLIC SECTOR BUDGETARY REVENUES (Million pesos)

Concept	January - December		Real % Growth	Composition %	
	2010	2011 <sup>p_/</sup>		2010	2011 <sup>p_/</sup>
<b>BUDGETARY REVENUES (I+II)</b>	<b>2,960,443.0</b>	<b>3,269,631.3</b>	<b>6.8</b>	<b>100.0</b>	<b>100.0</b>
I. Oil related (a+b)	973,038.2	1,100,270.5	9.3	32.9	33.7
a) PEMEX	385,437.1	393,710.0	-1.2	13.0	12.0
b) Federal Government	587,601.1	706,560.5	16.3	19.8	21.6
Rights and royalties on oil products	641,458.1	849,307.4	28.0	21.7	26.0
Excise taxes <sup>1_/</sup>	-56,153.3	-145,765.4	n.s.	-1.9	-4.5
Tax on Downstream Returns	2,296.3	3,018.5	27.1	0.1	0.1
II. Non-oil related (c+d)	1,987,404.8	2,169,360.8	5.6	67.1	66.3
c) Federal Government	1,492,411.9	1,613,763.8	4.6	50.4	49.4
Tax	1,314,282.0	1,436,891.2	5.7	44.4	43.9
Income Tax, IETU and IDE	679,621.9	759,587.7	8.1	23.0	23.2
Income tax	627,154.9	721,835.5	11.3	21.2	22.1
IMPAC	-624.5	-1,163.5	n.s.	0.0	0.0
IETU (Unique Rate Corporate Tax)	45,069.2	47,163.3	1.2	1.5	1.4
IDE (Tax on cash deposits)	8,022.2	-8,247.6	n.s.	0.3	-0.3
VAT	504,509.3	536,991.2	2.9	17.0	16.4
Excise taxes	60,617.1	69,228.2	10.4	2.0	2.1
Import taxes	24,531.1	26,879.9	6.0	0.8	0.8
Others <sup>2_/</sup>	45,002.7	44,204.2	-5.0	1.5	1.4
Non-tax	178,129.9	176,872.6	-4.0	6.0	5.4
Rights	32,046.1	35,900.5	8.3	1.1	1.1
Fees	141,902.0	136,310.5	-7.1	4.8	4.2
Others	4,181.8	4,661.6	7.8	0.1	0.1
d) PEDBC <sup>3_/</sup>	494,992.9	555,597.0	8.5	16.7	17.0

Memorandum items:

Total tax related	1,260,425.0	1,294,144.3	-0.7	42.6	39.6
Total non-tax related	1,700,018.0	1,975,487.0	12.4	57.4	60.4

Note: Figures may not add up due to rounding.

p\_/ Preliminary figures.

n.s: not significant.

1\_/ The negative sign is due to refunds and / or compensation were higher than the tax revenue received.

2\_/ Includes new vehicle, vehicle ownership, exports, not included in the previous branches and accessory taxes.

3\_/ Excludes Federal Government transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.



## BUDGETARY REVENUES, JANUARY-DECEMBER OF 2011 (Million Pesos)

Concept	Programmed	Observed <sup>p_</sup>	Difference
<b>BUDGETARY REVENUES (I+II)</b>	<b>3,055,341.5</b>	<b>3,269,631.3</b>	<b>214,289.8</b>
I. Oil related (a+b)	1,005,157.4	1,100,270.5	95,113.1
a) PEMEX	386,500.4	393,710.0	7,209.6
b) Federal Government	618,657.0	706,560.5	87,903.5
Rights and royalties on oil products	626,787.0	849,307.4	222,520.4
Excise taxes <sup>1_</sup>	-9,631.3	-145,765.4	-136,134.1
Tax on Downstream Returns	1,501.3	3,018.5	1,517.2
II. Non-oil related (c+d)	2,050,184.1	2,169,360.8	119,176.7
c) Federal Government	1,560,632.6	1,613,763.8	53,131.2
Tax	1,472,488.9	1,436,891.2	-35,597.7
Income Tax, IETU and IDE	768,874.6	759,587.7	-9,286.9
Income tax	688,965.2	721,835.5	32,870.3
IMPAC	0.0	-1,163.5	-1,163.5
IETU (Unique Rate Corporate Tax)	60,605.3	47,163.3	-13,442.0
IDE (Tax on cash deposits)	19,304.1	-8,247.6	-27,551.7
VAT	555,677.1	536,991.2	-18,685.9
Excise taxes	79,552.1	69,228.2	-10,323.9
Import taxes	22,810.6	26,879.9	4,069.3
Others <sup>2_</sup>	45,574.5	44,204.2	-1,370.3
Non-tax	88,143.7	176,872.6	88,728.9
Rights	14,854.4	35,900.5	21,046.1
Fees	67,759.6	136,310.5	68,550.9
Others	5,529.7	4,661.6	-868.1
d) PEDBC <sup>3_</sup>	489,551.5	555,597.0	66,045.5
<b>Memorandum items:</b>			
Total tax related	1,464,358.9	1,294,144.3	-170,214.6
Total non-tax related	1,590,982.6	1,975,487.0	384,504.4

Note: Figures may not add up due to rounding.

p\_ / Preliminary figures.

1\_ / The negative sign is due to refunds and / or compensation were higher than the tax revenue received.

2\_ / Includes new vehicle, vehicle ownership, exports, not included in the previous branches and accessory taxes.

3\_ / Excludes Federal Government transfers to ISSSTE.

Source: Ministry of Finance and Public Credit.



## PUBLIC SECTOR BUDGETARY NET EXPENDITURES (Million pesos)

Concept	January-December		Real %	Composition %	
	2010	2011 <sup>p_</sup>	Growth	2010	2011 <sup>p_</sup>
<b>TOTAL (I + II)</b>	<b>3,333,948.4</b>	<b>3,629,849.9</b>	<b>5.3</b>	<b>100.0</b>	<b>100.0</b>
I. Primary expenditures (a + b)	3,078,193.3	3,355,898.0	5.4	92.3	92.5
a) Programmable	2,618,907.4	2,859,828.9	5.6	78.6	78.8
b) Non-programmable	459,285.9	496,069.1	4.4	13.8	13.7
II. Financing Cost <sup>1_</sup>	255,755.1	273,951.9	3.6	7.7	7.5

Note: Figures may not add up due to rounding.

p\_ / Preliminary figures.

1\_ / Includes interests, commissions, public debt expenditures, and expenditures associated to financial restructuring and support programs for bank savers and bank debtors.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 30<sup>th</sup> 2012.

### FEDERAL GOVERNMENT DEBT BALANCES, DECEMBER <sup>\*\_/</sup>

CONCEPT	Outstanding as of			% of GDP			Structure ( % )		
	Dec. 09	Dec. 10	Dec.11 <sup>p_/_</sup>	Dec. 09	Dec. 10	Dec.11	Dec. 09	Dec. 10	Dec.11
<b>DOMESTIC DEBT:</b>									
NET (Mill. pesos)	2,471,343.7	2,808,920.2	3,129,456.2	19.6	20.3	20.9	80.4	81.3	78.9
GROSS (Mill. pesos)	2,702,779.7	2,888,277.2	3,197,703.2	21.4	20.9	21.3	80.9	80.3	78.8
<b>EXTERNAL DEBT:</b>									
NET (Mill. USD)	46,207.8	52,339.0	59,878.5	4.8	4.7	5.6	19.6	18.7	21.1
GROSS (Mill. USD)	48,707.8	57,187.0	61,351.5	5.0	5.1	5.7	19.1	19.7	21.2
<b>TOTAL DEBT:</b>									
NET (Million pesos)	3,074,757.8	3,455,678.5	3,967,270.3	24.4	25.0	26.5	100.0	100.0	100.0
(Million USD)	235,456.6	279,651.2	283,570.9						
GROSS (Million pesos)	3,338,840.2	3,594,942.7	4,056,035.2	26.4	26.0	27.0	100.0	100.0	100.0
(Million USD)	255,679.4	290,921.2	289,915.6						

Note: Figures may not add-up due to rounding.

The Net Debt results from subtracting the Federal Government's financial assets from the Gross Debt.

\*\_/\_ Figures subject to revisions due to changes and methodological modifications.

p\_/\_ Preliminary figures.

Source: Ministry of Finance and Public Credit.



FEDERAL GOVERNMENT DOMESTIC DEBT, JANUARY-DECEMBER <sup>\*\_/</sup>  
(Million pesos)

Concept	Outstanding December 2010	Indebtedness			Adjustments <sub>1/</sub>	Outstanding as of December 2011 <sub>p_/</sub>
		Disp.	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>2,808,920.2</b>					<b>3,129,546.2</b>
2. Assets <sup>2_/</sup>	79,357.0					68,157.0
<b>3. Gross Debt</b>	<b>2,888,277.2</b>	<b>1,923,972.8</b>	<b>1,649,473.3</b>	<b>274,499.5</b>	<b>34,926.5</b>	<b>3,197,703.2</b>
Government Securities	2,553,925.8	1,728,358.8	1,422,631.3	305,727.5	23,146.3	2,882,799.6
Cetes	393,977.2	1,206,260.2	1,143,636.5	62,623.7	-0.1	456,600.8
Bondes "D"	183,056.1	34,341.1	14,924.1	19,417.0	0.0	202,473.1
Fixed rate development bonds	1,446,781.0	364,611.1	231,540.2	133,070.9	1,728.6	1,581,580.5
Udibonos	530,111.5	123,146.4	32,530.5	90,615.9	21,417.8	642,145.2
<i>Udibonos udi's</i>	<i>117,117.9</i>	<i>26,851.0</i>	<i>7,157.7</i>	<i>19,693.3</i>	<i>111.5</i>	<i>136,922.7</i>
S.A.R. Saving Funds	110,308.6	140,022.3	173,767.9	-33,745.6	4,630.5	81,193.5
ISSSTE's Law obligations <sup>3_/</sup>	193,033.0	8,293.8	34,429.7	-26,135.9	5,035.7	171,932.8
Others	31,009.8	47,297.9	18,644.4	28,653.5	2,114.0	61,777.3

Note: Figures may not add-up due to rounding.

\*\_/ Figures subject to revisions due to changes and methodological modifications.

p\_/ Preliminary figures.

1\_/ Adjustment for inflation. The concept of fixed rate development Bonds refers to the adjustment for debt exchange and debt repurchase.

2\_/ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury.

3\_/ New ISSSTE's Law obligations of the Federal Government.

Source: Ministry of Finance and Public Credit.

FEDERAL GOVERNMENT EXTERNAL DEBT, JANUARY-DECEMBER <sup>*_</sup>						
(Million USD)						
Concept	Outstanding as of December 2010	Indebtedness			Adjustments	Outstanding as of December 2011 <sup>p_</sup>
		Disp.	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>52,339.0</b>					<b>59,878.5</b>
2. Assets <sup>1_</sup>	4,848.0					1,473.0
<b>3. Gross Debt</b>	<b>57,187.0</b>	<b>6,759.1</b>	<b>2,654.7</b>	<b>4,104.4</b>	<b>60.1</b>	<b>61,351.5</b>
Capital Markets	39,563.8	3,000.0	1,978.1	1,021.9	82.8	40,668.5
IFI'S	16,995.2	3,244.9	633.1	2,611.8	-0.3	19,606.7
External Trade Credits	628.0	514.2	43.5	470.7	-22.4	1,076.3

Note: Figures may not add-up due to rounding.

\*\_ / Figures subject to revisions due to changes and methodological modifications.

p\_ / Preliminary figures.

1\_ / Includes the balance, denominated in USD, of the General Account of the Federal Treasury.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 30<sup>th</sup> 2012.

FEDERAL PUBLIC SECTOR DEBT BALANCES, DECEMBER \*\_/

CONCEPT	Outstanding as of			% of GDP			Structure ( % )		
	Dec. 09	Dec. 10	Dec. 11 <sup>p_/</sup>	Dec. 09	Dec. 10	Dec. 11	Dec. 09	Dec. 10	Dec. 11
<b>DOMESTIC DEBT:</b>									
NET (Mill. pesos)	2,594,133.2	2,920,348.3	3,275,582.2	20.5	21.1	21.8	68.4	69.3	67.3
GROSS (Mill. pesos)	2,887,880.1	3,080,885.0	3,446,808.6	22.8	22.3	23.0	69.7	69.3	67.9
<b>EXTERNAL DEBT:</b>									
NET (Mill. USD)	91,721.9	104,679.1	113,867.6	9.5	9.4	10.6	31.6	30.7	32.7
GROSS (Mill. USD)	96,353.7	110,428.0	116,420.2	10.0	9.9	10.8	30.3	30.7	32.1
<b>TOTAL DEBT: <sup>1_/</sup></b>									
NET (Mill. pesos)	3,791,901.9	4,213,878.6	4,868,635.2	30.0	30.5	32.4	100.0	100.0	100.0
(Million USD)	290,373.6	341,008.7	347,998.3						
GROSS (Million pesos)	4,146,134.2	4,445,454.8	5,075,573.8	32.8	32.2	33.8	100.0	100.0	100.0
(Million USD)	317,499.8	359,749.0	362,789.8						

Note: Figures may not add-up due to rounding.

The Net Debt results from subtracting the Federal Government's financial assets from the Gross Debt, public entities and Development Banks assets.

\*\_/ Figures subject to revisions due to changes and methodological modifications.

p\_/ Preliminary figures.

1\_/ Includes liabilities from the Federal Government, PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.



FEDERAL PUBLIC SECTOR DOMESTIC DEBT, JANUARY-DECEMBER \* \_/

(Million pesos)

Concept	Outstanding as of December 2010	Indebtedness			Adjustments	Outstanding as of December 2011 <sup>p_/_</sup>
		Disp.	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>2,920,348.3</b>					<b>3,275,582.2</b>
2. Assets <sup>1_/_</sup>	160,536.7					171,226.4
<b>3. Gross Debt</b>	<b>3,080,885.0</b>	<b>2,030,304.4</b>	<b>1,701,420.5</b>	<b>328,883.9</b>	<b>37,039.7</b>	<b>3,446,808.6</b>
<b>Structure by Term</b>	<b>3,080,885.0</b>	<b>2,030,304.4</b>	<b>1,701,420.5</b>	<b>328,883.9</b>	<b>37,039.7</b>	<b>3,446,808.6</b>
Long-term	2,781,973.5	913,030.5	639,240.5	273,790.0	37,039.8	3,092,803.3
Short-term	298,911.5	1,117,273.9	1,062,180.0	55,093.9	-0.1	354,005.3
<b>Structure by User</b>	<b>3,080,885.0</b>	<b>2,030,304.4</b>	<b>1,701,420.5</b>	<b>328,883.9</b>	<b>37,039.7</b>	<b>3,446,808.6</b>
Federal Government	2,888,277.2	1,923,972.8	1,649,473.3	274,499.5	34,926.5	3,197,703.2
Long-term	2,593,865.7	824,263.4	605,158.3	219,105.1	34,926.6	2,847,897.4
Short-term	294,411.5	1,099,709.4	1,044,315.0	55,394.4	-0.1	349,805.8
<b>PEDBC's</b>	<b>166,863.5</b>	<b>79,226.7</b>	<b>44,304.9</b>	<b>34,921.8</b>	<b>1,855.7</b>	<b>203,641.0</b>
Long-term	162,363.5	68,761.7	32,839.9	35,921.8	1,855.7	200,141.0
Short-term	4,500.0	10,465.0	11,465.0	-1,000.0	0.0	3,500.0
Development Banks	25,744.3	27,104.9	7,642.3	19,462.6	257.5	45,464.4
Long-term	25,744.3	20,005.4	1,242.3	18,763.1	257.5	44,764.9
Short-term	0.0	7,099.5	6,400.0	699.5	0.0	699.5
<b>Structure by Source</b>	<b>3,080,885.0</b>	<b>2,030,304.4</b>	<b>1,701,420.5</b>	<b>328,883.9</b>	<b>37,039.7</b>	<b>3,446,808.6</b>
Bonds placed in the local market	2,693,867.6	1,793,372.3	1,429,292.9	364,079.4	23,925.3	3,081,872.3
SAR	110,308.6	140,022.3	173,767.9	-33,745.6	4,630.5	81,193.5
Commercial Banks	46,033.1	27,953.1	31,920.6	-3,967.5	178.3	42,243.9
<b>ISSSTE's Law obligations<sup>2_/_</sup></b>	<b>193,033.0</b>	<b>8,293.8</b>	<b>34,429.7</b>	<b>-26,135.9</b>	<b>5,035.7</b>	<b>171,932.8</b>
Others	37,642.7	60,662.9	32,009.4	28,653.5	3,269.9	69,566.1

Note: Figures may not add-up due to rounding.

\* \_/ Figures subject to revisions due to changes and methodological modifications.

p\_/\_ Preliminary figures.

1\_/\_ Includes the balance, denominated in pesos, of the General Account of the Federal Treasury and deposits in the national banking system as well as assets from PEDBC's and Development Banks.

2\_/\_ New ISSSTE's Law obligations of the Federal Government.

Source: Ministry of Finance and Public Credit.



Press Release

Mexico City, January 30<sup>th</sup> 2012.

## FEDERAL PUBLIC SECTOR EXTERNAL DEBT, JANUARY-DECEMBER<sup>\*\_/\_</sup>

(Million dollars)

Concept	Outstanding as of December 2010	Indebtedness			Adjustments	Outstanding as of December 2011 <sup>p_/_</sup>
		Disp.	Amort.	Net		
<b>1. Net Debt (3-2)</b>	<b>104,679.1</b>					<b>113,867.6</b>
2. Financial Assets Denominated in Foreign Currency <sup>1_/_</sup>	5,748.9					2,552.6
<b>3. Gross Debt</b>	<b>110,428.0</b>	<b>27,665.1</b>	<b>21,697.1</b>	<b>5,968.0</b>	<b>24.2</b>	<b>116,420.2</b>
<b>Structure by Term</b>	<b>110,428.0</b>	<b>27,665.1</b>	<b>21,697.1</b>	<b>5,968.0</b>	<b>24.2</b>	<b>116,420.2</b>
Long-term	108,088.9	13,904.0	8,363.5	5,540.5	21.5	113,650.9
Short-term	2,339.1	13,761.1	13,333.6	427.5	2.7	2,769.3
<b>Structure by User</b>	<b>110,428.0</b>	<b>27,665.1</b>	<b>21,697.1</b>	<b>5,968.0</b>	<b>24.2</b>	<b>116,420.2</b>
Federal Government	57,187.0	6,759.1	2,654.7	4,104.4	60.1	61,351.5
Long-term	57,187.0	6,759.1	2,654.7	4,104.4	60.1	61,351.5
Short-term	0.0	0.0	0.0	0.0	0.0	0.0
<b>PEDBC's</b>	<b>45,577.3</b>	<b>7,056.1</b>	<b>5,183.5</b>	<b>1,872.6</b>	<b>-10.4</b>	<b>47,439.5</b>
Long-term	45,577.3	6,715.7	4,823.1	1,892.6	-10.4	47,439.5
Short-term	20.0	340.4	360.4	-20.0	0.0	0.0
Development Banks	7,663.7	13,849.9	13,858.9	-9.0	-25.5	7,629.2
Long-term	5,344.6	429.2	885.7	-456.5	-28.2	4,859.9
Short-term	2,319.1	13,420.7	12,973.2	447.5	2.7	2,769.3
<b>Structure by Source</b>	<b>110,428.0</b>	<b>27,665.1</b>	<b>21,697.1</b>	<b>5,968.0</b>	<b>24.2</b>	<b>116,420.2</b>
Publicly Placed Bonds	63,591.1	7,500.0	2,174.3	5,325.7	-3.2	68,913.6
<b>IFI's</b>	<b>21,133.6</b>	<b>3,617.9</b>	<b>1,278.5</b>	<b>2,339.4</b>	<b>-45.2</b>	<b>23,427.8</b>
Bilateral	15,151.0	3,731.7	4,978.6	-1,246.9	109.8	14,013.9
Commercial Banks	10,219.2	12,475.1	12,925.3	-450.2	9.6	9,778.6
PIDIREGAS	333.1	340.4	340.4	0.0	-46.8	286.3

Note: Figures may not add-up due to rounding.

\*\_/\_/ Figures subject to revisions due to changes and methodological modifications.

p\_/\_/ Preliminary figures.

1\_/\_/ Considers the US Dollar denominated balance of the General Account of the Federal Treasury and other federal government assets in foreign currency, as well as other held by PEDBC's and Development Banks.

Source: Ministry of Finance and Public Credit.