

Dated 7 February 2008

**CLOVERIE PLC**  
*(incorporated with limited liability in Ireland)*

**SERIES PROSPECTUS**

**Series No: 2008-002**

**MXN 251,275,000 Inflation-Linked and United Mexican States Credit-  
Linked Variable Rate Secured Notes due 2040**

**issued pursuant to its**

**Secured Note Issuance Programme**

**arranged by**

**CITIGROUP GLOBAL MARKETS LIMITED**

The attention of investors is drawn to the section headed "Investment Considerations and Risk Factors" on page 4 of this Series Prospectus

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This Series Prospectus, under which the Series No. 2008-002 MXN 251,275,000 Inflation-Linked and United Mexican States Credit-Linked Variable Rate Secured Notes due 2040 (the “**Notes**”) are issued, incorporates by reference, and should be read in conjunction with, the Base Prospectus dated 10 July 2007 (the “**Base Prospectus**”) relating to the Secured Note Issuance Programme (the “**Programme**”) relating to the issuance by Cloverie Plc (the “**Issuer**”) of secured notes under the Programme. Application has been made to the Irish Financial Services Regulatory Authority (“**IFSRA**”), as competent authority under Directive 2003/71/EC, for this Series Prospectus to be approved. Application has been made to the Irish Stock Exchange Limited (the “**Irish Stock Exchange**”) for the Notes to be admitted to the Official List and trading on its regulated market. The Irish Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2004/39/EC (the “**Markets in Financial Instruments Directive**”). Application for listing the Notes to trade on the International Quotation System (*Sistema Internacional de Cotizaciones* or “**SIC**”) will also be filed with the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*). There can be no assurance that any such listing will be granted or maintained. Terms defined in the Base Prospectus have the same meaning in this Series Prospectus. References in this Series Prospectus or in the Base Prospectus to “Principal Trust Deed” or “Trust Deed” shall, where the context permits, include the deed of charge (the “**Deed of Charge**”) dated 8 February 2008 between the Issuer and the Trustee (*inter alios*) pursuant to which the Issuer grants security over the Collateral in favour of the Trustee. This Series Prospectus constitutes a Prospectus for the purposes of Regulation 13 of the Prospectus (Directive 2003/71/EC) Regulations 2005 and Article 5 of Directive 2003/71/EC (the “**Prospectus Directive**”) and for the purpose of giving information with regard to the Issuer which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. This Series Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference.

The Notes are credit linked notes. In connection with the issue of the Notes, the Issuer and Citigroup Global Markets Limited (“**Citi**” and, in such capacity, the “**Swap Counterparty**”) have entered into an interest rate swap agreement (the “**Interest Rate Swap**” or the “**Swap Agreement**”), the form of confirmation in relation to which is as set out in Annex 5 hereto. Capitalised terms used but not otherwise defined herein or in the Base Prospectus have the meanings given to them in Annex 1 and, if not defined in Annex 1, such terms shall have the meanings given to them in the Swap Agreement. The obligations of the Swap Counterparty to the Issuer under the Swap Agreement are guaranteed by Citigroup Inc. (in such capacity, the “**Swap Guarantor**”) pursuant to a guarantee dated as of 13 June 2006 (the “**Swap Guarantee**”).

**Investors are advised to refer to the form of the Interest Rate Swap Confirmation attached as Annex 5.**

The Annexes to this Series Prospectus form part of, and should be read together with, this Series Prospectus.

The delivery of this Series Prospectus at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

Subject as set out below in relation to information about the Swap Guarantor, the Issuer accepts responsibility for the information contained in this Series Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Series Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Swap Guarantor accepts responsibility for the information relating to itself in the section entitled "Swap Guarantor" contained in Annex 4 hereto. To the best of the knowledge and belief of the Swap Guarantor (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this Series Prospectus in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or Citigroup Global Markets Limited (in such capacity, the "Dealer").

The net proceeds of this issue will be MXN 253,162,294.72 and will be applied by the Issuer to purchase the Collateral on the Issue Date (as defined herein).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act). For a description of certain further restrictions on offers and sales of Notes and distribution of the Base Prospectus and the Series Prospectus, see "Subscription and Sale and Transfer Restrictions" in the Base Prospectus.

This Series Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Series Prospectus in any jurisdiction where such action is required.

The language of this Series Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

In this Series Prospectus, references to "**USD**" are to United States dollars and references to "**MXN**" and "**Mexican Pesos**" are to the lawful currency of the United Mexican States or any successor.

## **INCORPORATION BY REFERENCE**

The provisions of the Base Prospectus, which constitutes a base prospectus for the purposes of the Prospectus Directive, shall be deemed to be incorporated into and form part of this Series Prospectus in its entirety, save that any statement contained in the Base Prospectus shall be deemed to be modified or superseded for the purpose of this Series Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Series Prospectus. This Series Prospectus must be read in conjunction with the Base Prospectus and full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within this document and the Base Prospectus.

The Base Prospectus is available for viewing at, and copies may be obtained free of charge from, the office of the Paying Agent and the office of the Issuer in Ireland specified below.

The audited financial statements of the Issuer for the financial years ended 31 December 2005 and 31 December 2006 together with the auditors reports thereon have been filed with the Irish Stock Exchange and are deemed to be incorporated by references into this Series Prospectus.

## INVESTMENT CONSIDERATIONS AND RISK FACTORS

**THE CONSIDERATIONS SET OUT BELOW ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES.**

### **General**

*The purchase of Notes may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in the Base Prospectus and, in particular, the considerations set forth below and in this Series Prospectus.*

*The Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive and the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for reasons other than those described below.*

This Series Prospectus identifies in general terms certain information that a prospective investor should consider prior to making an investment in the Notes. However, a prospective investor should, without any reliance on Citi or its affiliates, conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in the Notes as any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor's particular financial and other circumstances, as well as on specific terms of the Notes and, if it does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, it should consult with its financial adviser prior to deciding to make an investment on the suitability of the Notes.

This Series Prospectus is not, and does not purport to be, investment advice, and Citi makes no recommendation as to the suitability of the Notes. The provision of this Series Prospectus to prospective investors is not based on any prospective investor's individual circumstances and should not be relied upon as an assessment of suitability for any prospective investor of the Notes. Even if Citi possesses limited information as to the objectives of any prospective investor in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for such person of the Notes. Any trading or investment decisions a prospective investor takes are in reliance on its own analysis and judgement and/or that of its advisers and not in reliance on Citi or its affiliates.

In particular, each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor in the Notes should have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes.

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) if

relevant, the Notes can be used as underlying securities for various types of borrowing and (iii) other restrictions apply to its purchase or, if relevant, pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

### **Factors that may affect the Issuer's ability to fulfil its obligations under the Notes**

#### ***The Issuer is a special purpose vehicle***

The Issuer's sole business is the raising of money by issuing notes or other obligations for the purposes of purchasing assets and entering into related derivatives and other contracts. The Issuer has covenanted not to have any subsidiaries or employees, consolidate or merge with any other person or issue any shares (other than such shares as were in issue on the date of its incorporation). As such, the Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of the Notes or entry into other obligations from time to time and any Mortgaged Property and any other assets on which Notes or other obligations are secured. There is no day to day management of the business of the Issuer.

#### ***Regulation of the Issuer by any regulatory authority***

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of the Notes.

Any investment in the Notes does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

#### ***Preferred creditors under Irish law***

The Issuer is an Irish company. Under Irish law, upon an insolvency of an Irish company, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts (see "Examinership" below).

In relation to the disposal of assets of any Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

#### ***Examinership***

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended, to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts

and arrangements entered into by the company after his appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his appointment. Furthermore, he may sell assets the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of sale.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the Noteholders. The Trustee would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders, especially if such proposals included a writing down of the value of amounts due by the Issuer to the Noteholders. The primary risks to the holders of Notes if an examiner were to be appointed to the Issuer are as follows:

- (i) the potential for a scheme of arrangement to be approved involving the writing down of the debt owed by the Issuer to the Noteholders as secured by the Trust Deed;
- (ii) the potential for the examiner to seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (iii) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to the Noteholders.

### **Risks relating to the Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally:

#### ***Limited recourse obligations***

The Notes are direct, secured, limited recourse obligations of the Issuer payable solely out of the assets charged by the Issuer in favour of the Trustee on behalf of the Noteholders and other secured parties. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Notes. The Noteholders will have no right to take title to, or possession of, the charged assets unless the Trustee, having become bound to do so, fails or neglects to take action against the Issuer and such failure or neglect is continuing. No assurance can be made that the proceeds available for and allocated to the repayment of the Notes at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes. If the proceeds of the realisation of the charged assets received by the Trustee for the benefit of the Noteholders prove insufficient to make payments on the Notes, no other assets will be available for payment of the shortfall, and, following distribution of the

proceeds of such realisation, the Issuer will have no further obligation to pay any amounts in respect of such shortfall and accordingly no debt will be owed by the Issuer in respect of any such shortfall.

Further, the Trustee and the Noteholders will not be entitled at any time to institute, or join with any other person in bringing, instituting or joining, insolvency proceedings (whether court based or otherwise) in relation to the Issuer.

No person other than the Issuer will be obliged to make payments on the Notes.

***Taxation and no gross up***

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessments or charges that may be applicable to any payment to it in respect of the Notes. In the event that any withholding tax or deduction for tax is imposed on payments of interest on the Notes, the Noteholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax and no Event of Default shall occur as a result of any such withholding or deduction.

***Modification, waivers and substitution***

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Trustee may, in certain circumstances, without the consent of Noteholders, (i) agree to any modification of, or the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) agree to the substitution of another company as principal debtor under the Notes in place of the Issuer.

***Early Redemption for tax or legal reasons***

The Issuer may for specified tax or legal reasons, as detailed in Condition 7.3 (*Redemption for taxation and other reasons*), upon giving notice to Noteholders, redeem all Notes earlier than the Maturity Date. If the Issuer redeems Notes early in such circumstances, the Issuer will, if and to the extent permitted by applicable law, redeem the Notes at their Early Redemption Amount as specified in the Conditions (subject to certain exceptions detailed in the Conditions). The Early Redemption Amount in respect of each Note may be less than the principal amount of such Note and will be calculated in accordance with the Conditions.

***Priority of claims***

The ranking of the relative claims of, *inter alios*, the Noteholders and the Swap Counterparty over the Mortgaged Property rank *pari passu* except where the security has become enforceable as a result (directly or indirectly) of any breach or default of any obligation in respect of the Collateral by the issuer thereof or, where the security has become enforceable as a result (directly or indirectly) of a Swap Counterparty Default or a Tax Event Upon Merger in which case the claims of the Noteholders rank prior to claims of the Swap Counterparty and where the Notes are mandatorily redeemed for taxation reasons or following the termination in whole of the Swap Agreement in which case the claims of the Swap Counterparty rank prior to the claims of the Noteholders (other than for a Swap Counterparty Default or a Tax Event Upon Merger). The claims of the Trustee for its fees and expenses rank senior to the claims of the Noteholders.

### ***Change of law***

The Conditions of the Notes are governed by English law in effect as at the Issue Date. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the Issue Date.

### ***Provision of information***

Neither the Issuer, the Trustee, the Dealer nor any affiliate of such persons makes any representation as to the credit quality of the Swap Counterparty, Swap Guarantor, Credit Support Provider or Collateral Issuer. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Swap Counterparty, Swap Guarantor, Credit Support Provider or Collateral Issuer. None of such persons is under any obligation to make such information directly available to Noteholders. None of such persons is under any obligation to make available any information relating to, or keep under review on the Noteholders' behalf, the business, financial conditions, prospects, creditworthiness or state of affairs of the Collateral Issuer or conduct any investigation or due diligence into the Collateral Issuer.

### **Risks relating to the Collateral**

#### ***No investigations***

No investigations, searches or other enquiries have been made by or on behalf of the Issuer or the Trustee in respect of the Collateral and no representations or warranties, express or implied, have been given by the Issuer, the Dealer, the Trustee or any other person on their behalf in respect of the Collateral.

#### ***Collateral***

Noteholders may be exposed to the market price of the Collateral and the exchange rate of Mexican Pesos to United States dollars. The Issuer may have to fund its payments by the sale of Collateral at a market value in United States dollars and then convert such amount into Mexican Pesos at the then prevailing bid exchange rate. The market price of the Collateral will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the Collateral Issuer.

#### ***Early Redemption for Collateral default***

If, in respect of the Notes, any of the Collateral becomes repayable prior to its stated date of maturity or (unless the Trustee otherwise agrees) there is a payment default in respect of any of the Collateral, the Issuer may be required to redeem the Notes in whole or in part on the basis set out in Condition 7.2 (*Mandatory Redemption*). The Notes are not principal protected in such circumstances and the amount payable to Noteholders will be calculated in accordance with the Conditions.

### **Risks relating to the counterparties**

#### ***Reliance on creditworthiness of other parties***

The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of payments under the Swap Agreement. Consequently, the Issuer is exposed to the ability of the Swap Counterparty and failing which, of the Swap Guarantor to perform their obligations in respect of the Swap Agreement.

The receipt by the Issuer of payments under the Swap Agreement will also be dependent on the timely payment by the Issuer of its obligations under the Interest Rate Swap. The ability of the Issuer to make timely payment of its obligations under the Interest Rate Swap depends on receipt by it of the scheduled payments under the Collateral. Consequently, the Issuer is also exposed to the ability of the issuer of the Collateral to perform its payment obligations.

The Collateral will be held in accounts with the Custodian. The Custodian may be responsible under the Agency Agreement for receiving payments on the Collateral and remitting them as may be required in the context of the relevant Notes.

***Trustee conflicts of interest***

In connection with the exercise of its functions, the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

In acting as Trustee under the Trust Deed, the Trustee shall not, in respect of the Notes, assume any duty or responsibility to the Swap Counterparty (other than to pay to the Swap Counterparty any moneys received and payable to it and to act in accordance with the provisions of Condition 4 (*Security, Credit Support Document, Option Agreement and Swap Agreement*)) and shall have regard solely to the interests of the Noteholders and shall not be obliged to act on any directions of the Swap Counterparty if this would in the Trustee's opinion be contrary to the interests of the Noteholders or Couponholders.

***Business relationships and capacity of Citi***

The Issuer, Citi and any of its affiliates may have existing or future business relationships with the Swap Counterparty, Swap Guarantor, Credit Support Provider or Collateral Issuer (including, but not limited to, lending, depository, risk management, advisory and banking relationships), and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising therefrom without regard to the consequences for a Noteholder. In addition, the Issuer, Citi and any of its affiliates may make a market or hold positions in respect of any of the Collateral relating to any particular transaction. From time to time, Citi and its affiliates may own significant amounts of Notes.

Citi and its affiliates may act in a number of capacities in respect of the Notes including, without limitation, Dealer, Calculation Agent, Swap Counterparty, Swap Guarantor and Disposal Agent. Citi and its affiliates acting in such capacities in connection with the Notes shall have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. Citi and its affiliates in their various capacities in connection with the Notes may enter into business dealings, from which they may derive revenues and profits in addition to any fees, without any duty to account therefor.

***Legality of purchase***

None of the Issuer, the Trustee, Citi nor any affiliate of such persons has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes (whether for its own account or for the account of any third party), whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that

prospective purchaser (or any such third party) with any law, regulation or regulatory policy applicable to it.

## **Risks related to Credit Linked Notes**

### ***Occurrence of Credit Events***

The Notes are credit linked notes linked to the performance of the Reference Entity and the obligations of the Reference Entity, as well as the relationship between Mexican Pesos and the Mexican *Unidad de Inversión*. As at the Issue Date, the Reference Entity is United Mexican States. Investors should note that the Reference Entity may change if a Succession Event occurs and a Succession Event may result in more than one Reference Entity (see “*Succession Event*” below).

The Notes differ from ordinary debt securities issued by the Issuer in that following the occurrence of a Credit Event, a Potential Failure to Pay or a Potential Repudiation/Moratorium at any time from and including the Credit Linkage Start Date (as defined below) to and including the later of (a) the Scheduled Maturity Date (as defined in the Conditions of the Notes), (b) if a Potential Failure to Pay exists on the Scheduled Maturity Date, the Grace Period Extension Date and (c) if a Potential Repudiation/Moratorium exists on the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date, the Issuer (save in certain circumstances where cash settlement will apply) will deliver obligations of the Reference Entity to the Noteholders instead of repaying principal and no interest will be payable in respect of the Notes from and including the Interest Period Date immediately prior to the Event Determination Date. The market value of the Deliverable Obligations delivered to each investor may be substantially lower than the amount invested by such investor.

Investors should note that a Credit Event may occur in respect of the Reference Entity in the period between the Credit Linkage Start Date and the Issue Date.

### ***Determination of Credit Events***

Prospective investors should note that the occurrence of a Credit Event on the Notes is determined by the Determination Agent. The determination of whether a Credit Event has occurred shall be made by the Determination Agent without regard to the interests of the Noteholders. The likelihood of a Credit Event occurring will generally fluctuate with, among other things, the financial condition and other characteristics of the Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates.

A Credit Event will only affect the Noteholders if the Determination Agent has served a Credit Event Notice and a Notice of Publicly Available Information.

### ***Postponement of Scheduled Maturity Date***

The Scheduled Maturity Date of the Notes is 12 January 2040. However, the Determination Agent may determine at any time that a Potential Failure to Pay, a Potential Repudiation/Moratorium or a Credit Event may have occurred in respect of which the Physical Settlement Date may only occur after the Scheduled Maturity Date. If the Determination Agent so determines, the Maturity Date of the Notes may be extended beyond the Scheduled Maturity Date and Noteholders will not receive any additional amounts in respect of such postponement if the Conditions to Settlement are satisfied.

### **Succession Event**

Investors should note that, from time to time, the Reference Entity may be subject to change following certain mergers, demergers or other corporate reorganisations. For example, if the Reference Entity transferred all of its debt obligations to a third party, that third party (the “**Successor**”) would replace the Reference Entity as the Reference Entity. In certain circumstances there may be more than one Successor.

### **Limited Information about the Reference Entity**

None of the Issuer, Citi, the Trustee or any other person on their behalf has undertaken any legal due diligence in respect of the Reference Entity. None of the Issuer, Citi, the Trustee or any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of the Reference Entity or Reference Obligation. Citi may have acquired, or during the term of the Notes may acquire, confidential information with respect to the Reference Entity or the Reference Obligation and is not required to disclose this information to the Issuer or any other party.

### **Risks related to the market generally**

Set out below is a brief description of certain market risks:

#### ***The secondary market generally***

Although application has been made to have the Notes admitted to (i) the Official List of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange and (ii) the International Quotation System (*Sistema Internacional de Cotizaciones*) for trading, as filed with the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*), the Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

#### ***Relationship between Mexican Pesos and Mexican Unidad de Inversión***

Payments of principal and interest on the Notes are linked to the relationship between Mexican Pesos and the Mexican *Unidad de Inversión*.

The relationship between Mexican Pesos and the Mexican *Unidad de Inversión* on each Valuation Date (as defined in the Conditions of the Notes) for a payment may fluctuate. Any such fluctuations may adversely affect the interest and principal which the Noteholders receive, and the value of the Notes. In addition, the Government of Mexico may intervene from time to time in the foreign exchange, and political and economic developments may arise in Mexico, each of which may affect the relationship between Mexican Pesos and the Mexican *Unidad de Inversión*.

The prevailing relationship between the Mexican Peso and the Mexican *Unidad de Inversión* should not be taken as an indication of the future levels of such relationship. Such relationship may change and cause a decrease in the amount payable to Noteholders in Mexican Pesos.

#### ***Credit ratings may not reflect all risks***

Investors should note that any credit rating assigned by Fitch (as defined in the Conditions of the Notes) to the Notes represents Fitch's opinion regarding the credit quality of the Notes but is not a guarantee of quality. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. Rating agencies may fail to make timely changes in credit ratings in response to events so that the true financial condition of an entity or asset may be worse than a rating indicates. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the relevant rating agency.

## TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes shall consist of the terms and conditions set out in the Base Prospectus (the “**Base Conditions**”) as amended or supplemented below. References in the Base Prospectus to Final Terms shall be deemed to refer to the terms set out below.

### Provisions appearing on the face of the Notes

1	Issuer:	Cloverie Plc
2	Relevant Dealer/Lead Manager (including, if Syndicated Issue, Managers):	Citigroup Global Markets Limited (the “ <b>Dealer</b> ”)
3	Series No:	2008-002
4	Tranche No:	Not applicable
5	ISIN:	XS0343130083
6	Common Code:	034313008
7	CUSIP:	Not applicable
8	PORTAL Code:	Not applicable
9	Currency (or Currencies in the case of Dual Currency Notes):	MXN
10	Principal Amount:	<p>MXN 251,275,000 on the Issue Date and thereafter MXN 251,275,000 minus the aggregate of all Allocated Principal Amounts determined in accordance with paragraph 40(v) below (the outstanding amount on any day being the “<b>Outstanding Principal Amount</b>”).</p> <p>In addition, following any purchase and cancellation of the Notes pursuant to Condition 7.4, the Outstanding Principal Amount shall be reduced by an amount equal to the principal amount of the Notes so purchased and cancelled. Notice shall be given by or on behalf of the Issuer to the Irish Stock Exchange and the Mexican Stock Exchange (<i>Bolsa Mexicana de Valores, S.A. de C.V.</i>) in the event of any reduction in the Outstanding Principal Amount of the Notes as soon as practicable after such reduction.</p> <p>As soon as practicable following receipt by the Issuer of a Credit Event Notice and a Notice of Publicly Available Information from the Determination Agent, notice of the same shall be given by or on behalf of the Issuer to the Noteholders in accordance with Condition 16. Notice shall also be given by or on behalf of the Issuer to the Noteholders in accordance with Condition 16 as soon as practicable following receipt by the Issuer of a Notice of Physical Settlement.</p>

11	Issue Date:	8 February 2008
12	Issue Price:	100.751 per cent.

**Provisions appearing on the back of the Notes**

13	Form:	Bearer
14	(i) Denomination(s) (ii) Tradeable Amount	MXN 2,010,200 MXN 2,010,200
15	Status:	Secured and limited recourse obligations of the Issuer, secured as provided below
16	Interest Commencement Date (if different from Issue Date):	11 January 2008
17	Interest Basis:	Interest will be payable on the Notes as set out in paragraph 59 below.
18	Interest Rate (including after Maturity Date, when payment of principal is improperly withheld or refused):	See paragraph 59 below.
19	Interest Payment Date(s):	<p>Each Interest Period Date (as specified in paragraph 39 below) (subject as provided below), commencing on the Interest Period Date on 12 July 2008 (each a “<b>Scheduled Interest Payment Date</b>”), provided that interest in respect of the last Interest Accrual Period shall be paid on the Maturity Date and provided further that:</p> <ul style="list-style-type: none"> <li>(i) if a Potential Failure to Pay has occurred in the period from and including the previous Interest Period Date or, in the case of the first Interest Period Date, the Trade Date, to and including the relevant Interest Period Date, such Interest Period Date shall be postponed until the later of such Interest Period Date and the date falling two Business Days after the Grace Period Extension Date;</li> <li>(ii) if a Potential Repudiation/Moratorium has occurred in the period from and including the previous Interest Period Date or, in the case of the first Interest Period Date, the Trade Date, to and including the relevant Interest Period Date, such Interest Period Date shall be postponed until the later of such Interest Period Date and the second Business Day after the Repudiation/Moratorium Evaluation Date; and</li> <li>(iii) if the Determination Agent notifies the Issuer at any time on or prior to any Interest Period Date (or, if the Interest Period Date has been postponed in accordance with paragraphs (i) and (ii) above, the Grace Period Extension Date or</li> </ul>

the Repudiation/Moratorium Evaluation Date (as the case may be)) of its determination (which shall be exercisable in its sole discretion) that a Credit Event has occurred in the period from and including the previous Interest Period Date to and including the relevant Interest Period Date (or the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date (as the case may be)) in respect of which the Conditions to Settlement have not been, or will not be, satisfied by the relevant Interest Period Date (or, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date (as the case may be)), the Interest Period Date (if applicable, as postponed in accordance with paragraphs (i) and (ii) above) shall be postponed as follows:

- (a) in the event that the Conditions to Settlement are satisfied, the Interest Period Date shall be postponed until the Physical Settlement Date; or
- (b) in the event that an Event Determination Date does not occur during the Notice Delivery Period or the Conditions to Settlement are not satisfied within 30 calendar days of the occurrence of the Event Determination Date, the Interest Period Date shall be postponed until the date falling 12 Business Days after the later of (i) the last day of the Notice Delivery Period and (ii) the expiry of such 30 calendar day period,

(the “**Deferred Interest Payment Date**”).

In such circumstances, on the Deferred Interest Payment Date, the Issuer shall pay to Noteholders the relevant Interest Amount that would otherwise have been payable on the relevant Scheduled Interest Payment Date but for the postponement provisions set out herein (the “**Deferred Interest Amount**”), together with interest accrued on such Deferred Interest Amount for the period (the “**Deferred Interest Accrual Period**”) from and including the relevant Scheduled Interest Payment Date(s) to but excluding the relevant Deferred Interest Payment Date at the prevailing overnight rate for deposits in the Notes Currency in an amount equal to the relevant Deferred Interest Amount, as determined by the Determination Agent in its sole discretion (acting in a

commercially reasonable manner) as at each day in the Deferred Interest Accrual Period.

If the Maturity Date is postponed in accordance with paragraph 41 below, the Deferred Interest Payment Date in respect of the Scheduled Interest Payment Date otherwise falling on the Scheduled Maturity Date shall be payable on the Deferred Maturity Date.

For the avoidance of doubt, where the Conditions to Settlement are satisfied, no interest shall be payable in respect of any period from and including the Interest Period Date immediately preceding the Event Determination Date.

<b>20</b>	Relevant Time (Floating Rate Notes):	Not applicable
<b>21</b>	Determination Date(s) (if applicable):	Not applicable
<b>22</b>	Interest Determination Date (Floating Rate Notes):	Not applicable
<b>23</b>	Primary Source for Floating Rate:	Not applicable
<b>24</b>	Reference Banks (Floating Rate Notes):	Not applicable
<b>25</b>	Relevant Financial Centre (Floating Rate Notes):	Not applicable
<b>26</b>	Benchmark:	Not applicable
<b>27</b>	Broken Amount (Fixed Rate Notes):	Not applicable
<b>28</b>	Representative Amount (Floating Rate Notes):	Not applicable
<b>29</b>	Relevant Currency (Floating Rate Notes):	Not applicable
<b>30</b>	Effective Date (Floating Rate Notes):	Not applicable
<b>31</b>	Specified Duration (Floating Rate Notes):	Not applicable
<b>32</b>	Margin (Floating Rate Notes):	Not applicable
<b>33</b>	Rate Multiplier (if applicable):	Not applicable
<b>34</b>	Maximum/Minimum Interest Rate (if applicable):	Not applicable
<b>35</b>	Maximum/Minimum Instalment Amount (if applicable):	Not applicable
<b>36</b>	Maximum/Minimum Redemption Amount (if applicable):	Not applicable
<b>37</b>	Interest Amount (Fixed Rate Notes):	Not applicable
<b>38</b>	Day Count Fraction:	30/360

**39** Interest Period Date(s) (if applicable): 12 January and 12 July in each year, commencing on 12 July 2008 and ending on 12 January 2040. The Interest Period Dates shall not be adjusted.

**40** Redemption Amount (including early redemption):

**(i) Final Redemption**

Subject as provided below, the Redemption Amount payable in respect of each Note on the Scheduled Maturity Date (as defined in paragraph 41 below) or where the Maturity Date has been postponed as provided in paragraph 41 below but the Conditions to Settlement have not been met, shall be payable in MXN equal to the amount FA in the following equation, divided by the Number of Notes:

$$FA = \text{Reference UDI Amount} * \text{MXN/UDI Rate}$$

Where:

“**MXN/UDI Rate**” has the meaning given to such expression in paragraph 59 below; and

“**Reference UDI Amount**” has the meaning given to such expression in paragraph 59 below.

Where the Maturity Date has been postponed as provided in paragraph 41 below but the Conditions to Settlement have not been met, the Redemption Amount shall be postponed in accordance with paragraph 41(i)(b) below (the “**Deferred Maturity Date**”).

In such circumstances, on the Deferred Maturity Date the Issuer shall pay to Noteholders in respect of each Note, the Redemption Amount that would otherwise have been payable on the Scheduled Maturity Date but for the operation of the foregoing provision and the provisions of paragraph 41 (the “**Deferred Redemption Amount**”), together with interest accrued on such Deferred Redemption Amount for the period from and including the Scheduled Maturity Date to but excluding the Deferred Maturity Date (the “**Deferred Redemption Period**”) at the prevailing overnight rate for deposits in the Notes Currency in an amount equal to the relevant Deferred Redemption Amount, as determined by the Determination Agent in its sole discretion (acting in a commercially reasonable manner) as at each day in the Deferred Redemption Period (the “**Overnight Interest Amount**”).

No other amount shall be payable to the Noteholders in respect of such postponement, save as provided in paragraph 19 above.

**(ii) On Early Redemption due to a Mandatory**

**Redemption A or for taxation and other reasons pursuant to Condition 7.3 (other than as set out in sub-paragraph (iii) below)**

“**Mandatory Redemption A**” shall apply in respect of the Notes.

Where the Notes are redeemed early due to a Mandatory Redemption A in accordance with Condition 7.2.1(ii) or upon the occurrence of taxation or other reasons pursuant to Condition 7.3, in each case subject as provided in sub-paragraph (iii) below, each Note will be redeemed on the relevant date for redemption specified in the Mandatory Redemption Notice at an amount (the “**Early Redemption Amount**”) in the Notes Currency determined at the sole and absolute discretion of the Determination Agent as being equal to a *pro rata* share (rounded to the nearest *centavo*, half a *centavo* being rounded downwards) of:

- (a) the net realised proceeds of the sale of any Collateral effected on behalf of the Issuer by the Disposal Agent pursuant to the Agency Agreement (if necessary, converted into Mexican Pesos at the then prevailing bid rate for purchasing Mexican Pesos with USD as determined by the Disposal Agent in its sole and absolute discretion), plus
- (b) the Swap Termination Value (where the same is due from the Swap Counterparty to the Issuer) or, as the case may be, minus the Swap Termination Value (where the same is due from the Issuer to the Swap Counterparty).

In such circumstances, in determining any Early Redemption Amount, the Determination Agent shall take account shall be taken of Credit Events in respect of which the Event Determination Date has occurred, but the relevant Physical Settlement Date has yet to occur.

Any sale of Collateral shall be carried out in accordance with the Agency Agreement.

For the avoidance of doubt, to the extent that the Issuer receives any payment due in respect of the Collateral in full on the due date thereof as a consequence of the Collateral Issuer being obliged to gross-up if withholding taxes are imposed, there shall be no early redemption pursuant to Condition 7.3.2(i).

Notes held by a Noteholder shall be aggregated for the purposes of determining the aggregate Early

Redemption Amount of that Noteholder.

**Noteholders may receive different distributions and/or payments as a result of roundings effected by the Calculation Agent. In the event that the Notes are redeemed prior to the Maturity Date, the amount payable by the Issuer may be more or less than the principal amount of the Notes and may be zero.**

**(iii) Early Redemption due to termination of the Swap Agreement due to Swap Counterparty Default or Tax Event Upon Merger or Mandatory Redemption A (other than as set out in sub-paragraph (ii) above)**

Where the Notes are redeemed early due to:

(i) a Mandatory Redemption A in accordance with Condition 7.2.1(i) where any of the Collateral has become repayable or, unless the Trustee otherwise agrees, becomes capable of being declared due and repayable prior to its stated date of maturity in accordance with its terms; or

(ii) termination of the Swap Agreement pursuant to a Swap Counterparty Default or a Tax Event Upon Merger (as defined in the ISDA Master Agreement),

each Note will (subject as provided below) be redeemed on the relevant date fixed for redemption (the “**Early Redemption Date**”) by delivery to the relevant holder thereof of an amount equal to FA as defined in subparagraph (i) above, for which purpose the Valuation Date shall be the date falling two Business Days prior to the date of redemption divided by the Number of Notes, plus interest accrued on the Notes in accordance with paragraph 59 below up to, but excluding, such Early Redemption Date.

Notwithstanding the foregoing, if a potential Credit Event exists on the Early Redemption Date, or the Determination Agent gives notice on or prior to the Early Redemption Date that a Potential Failure to Pay, a Potential Repudiation/Moratorium or a Credit Event has or may have occurred during the period from and including the Credit Linkage Start Date (as defined below) to and including the Early Redemption Date, then the Early Redemption Date shall be postponed until the date that is two Business Days following the Physical Settlement Date or the last day of the relevant Notice Delivery Period, and, on such date, the Issuer shall redeem the Notes on the terms set out in paragraph 40(i) above or paragraph 40(iv) below, as the case may be,

save that references therein to the “Scheduled Maturity Date” shall be deemed to be references to the “Early Redemption Date” and references to “Deferred Maturity Date” shall be deemed to be references to the “date that is two Business Days after the Physical Settlement Date or the last day of the relevant Notice Delivery Period”.

**(iv) Redemption where the Conditions to Settlement are satisfied (other than as set out in subparagraph (v) below)**

If a Credit Event occurs at any time from and including the Credit Linkage Start Date (as defined below) to and including the later of (a) the Credit Linkage End Date (as defined below), (b) if a Potential Failure to Pay exists on the Credit Linkage End Date, the Grace Period Extension Date and (c) if a Potential Repudiation/Moratorium exists on the Credit Linkage End Date, the Repudiation/Moratorium Evaluation Date and the Conditions to Settlement are satisfied, each Note will, subject as provided below, be redeemed by delivery of the relevant Physical Settlement Entitlement on the Physical Settlement Date. For the purposes of this paragraph 40(iv), “delivery” shall be deemed to include payment of any cash amount payable. Notes held by a Noteholder shall be aggregated for the purpose of determining the aggregate Physical Settlement Entitlement of that Noteholder.

In order for Notes to be redeemed by delivery of the relevant Physical Settlement Entitlement, Noteholders must present to any Paying Agent an irrevocable delivery instruction certificate (in the form set out in Schedule 2 of the Supplemental Trust Deed, copies of which are available at the specified office of any Paying Agent) (the “**Delivery Instruction Certificate**”) and must make presentation and delivery of the Notes held, not later than 5.00 p.m., London time, on the third London Business Day prior to the Physical Settlement Date. If such Notes and Delivery Instruction Certificate are presented to a Paying Agent after 5.00 p.m., London time, on the day of presentation or if the day of presentation is not a London Business Day, such Notes and Delivery Instruction Certificate shall be deemed to have been presented before 5.00 p.m., London time, on the next following London Business Day. The Paying Agent to which such Notes and Delivery Instruction Certificate are surrendered shall acknowledge receipt by issuing to the holder of such Notes as a receipt for such Notes a copy of such Delivery Instruction Certificate duly marked with the Paying Agent’s stamp and the date and

time of receipt and shall deliver to the Custodian, the Issuer and the Determination Agent a copy of such Delivery Instruction Certificate as soon as practicable after receipt thereof. A copy of the Delivery Instruction Certificate shall act as a receipt for both the Notes and the Delivery Instruction Certificate. Such copy shall be non-transferable and shall be *prima facie* evidence of entitlement of the person named therein to the Physical Settlement Entitlement in respect of the Notes specified therein. However, the records of the Paying Agent shall be conclusive evidence of such entitlement.

**Noteholders should note, in relation to Notes held in Euroclear or Clearstream, Luxembourg, that such Notes will be presented and surrendered and the Delivery Instruction Certificate in respect thereof delivered, on behalf of Noteholders by Euroclear or Clearstream, Luxembourg, as the case may be, and that holders of Notes held in Euroclear or Clearstream, Luxembourg will be required to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to present such Notes and to deliver such Delivery Instruction Certificate not later than 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Clearance System Business Day prior to the date on which such Delivery Instruction Certificate is to be delivered. For these purposes, "Clearance System Business Day" means a day on which Euroclear and Clearstream, Luxembourg are open for business.**

**Partial Cash Settlement due to impossibility/illegality**

If, the Determination Agent, the Issuer or the Custodian determines that, due to an event beyond the control of the Issuer, it is impossible or illegal for the Issuer or the Custodian on behalf of the Issuer to deliver to, or to the order of, the Noteholders (each such potential recipient a "Transferee") or it is impossible or illegal for such Transferee to receive delivery of, any or all of the Deliverable Obligations comprising the Physical Settlement Entitlement on the Physical Settlement Date, the Issuer shall on the Business Day following the Latest Permissible Physical Settlement Date deliver or cause to be delivered to Noteholders such Noteholder's *pro rata* share of such Deliverable Obligations as may be delivered and in respect of each Note pay an amount in MXN equal to a *pro rata* share (converted into MXN if necessary by the Calculation Agent acting in its sole discretion, at the then prevailing spot rate and rounded to the nearest *centavo*, half of a *centavo* being rounded

downwards) of a cash amount in respect of such Deliverable Obligations (determined by the Determination Agent in its sole discretion by reference to quotations obtained from markets for the Deliverable Obligations) which were not delivered, which shall be paid to, or to the order of, the Issuer by the Determination Agent.

For the avoidance of doubt, failure by a Noteholder to present a Delivery Instruction Certificate to any Paying Agent on or before 5.00 p.m. London time, on the third London Business Day prior to the Physical Settlement Date shall be deemed to render delivery of the relevant Physical Settlement Entitlement to such Noteholder impossible for the purposes of this paragraph 40(iv).

**Each of the Issuer and the Determination Agent reserves all rights as to the manner of delivery of any Deliverable Obligations to which Noteholders are entitled and each of the Issuer and the Determination Agent shall have no responsibility for the capacity of Noteholders to take delivery of such Deliverable Obligations or for any other matter which may affect the ability of the Noteholders to take delivery of such Deliverable Obligations.**

For the avoidance of doubt, where the Conditions to Settlement are satisfied, no interest shall be payable in respect of any period from and including the Interest Period Date immediately preceding the Event Determination Date.

The Issuer will provide to the Noteholders in accordance with Condition 16 a copy of the Credit Event Notice, the Notice of Publicly Available Information and the Notice of Physical Settlement which the Determination Agent delivers to it as soon as practicable after receipt of the same.

**In the event that the Notes are redeemed in circumstances where the Conditions to Settlement are satisfied (other than as set out in sub-paragraph (v) below), the market value of any Physical Settlement Entitlement or, where partial cash settlement applies, the aggregate of the market value of any deliverable Physical Settlement Entitlement and the cash settlement payment deliverable or, as the case may be, payable by the Issuer may be more or less than the outstanding principal amount of the Notes and may be zero.**

A notice shall be given by or on behalf of the Issuer to the Noteholders in accordance with Condition 16, to the

Irish Stock Exchange or to the Irish Financial Services Regulatory Authority as required by S.I. 324 of 2005 and to the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*) under its regulations if any redemption of the Notes is to be made prior to their Scheduled Maturity Date together with a confirmation of the amount payable/deliverable upon such redemption in respect of each Note.

**(v) Redemption where the Conditions to Settlement are satisfied where either (a) the Credit Event is a Restructuring and the Exercise Amount is less than the Principal Amount and/or (b) the relevant Reference Entity is a Multiple Successor**

Upon the occurrence of a Restructuring Credit Event during the term of the Notes:

- (i) a Determination Agent may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event, each such Credit Event Notice setting forth the amount of the Outstanding Principal Amount to which such Credit Event Notice applies (the "**Exercise Amount**"); and
- (ii) if the Notifying Party has delivered a Credit Event Notice that specifies an Exercise Amount that is less than the then outstanding Principal Amount, the Conditions shall, with effect from the date such Credit Event Notice is effective, be construed as if the Issuer had issued two series of notes, one of which has an Outstanding Principal Amount equal to the Exercise Amount and, upon satisfaction of the Conditions to Settlement, will be redeemed in accordance with paragraph 40(iv), and the other of which will have an Outstanding Principal Amount equal to the Outstanding Principal Amount outstanding prior to such Credit Event Notice minus the Exercise Amount and will continue in effect with such modifications required as determined by the Calculation Agent (in consultation with the parties) to preserve the economic effects of the continuing notes.

Where the Conditions to Settlement are satisfied and:

- (a) the Credit Event is a Restructuring and the Exercise Amount is less than the Outstanding Principal Amount; and/or
- (b) more than one Successor (each a "**Multiple**

**Successor**") has been identified and the Credit Event Notice relates to a Multiple Successor,

(A) the principal amount of each Note deemed allocated to each Multiple Successor shall be equal to the principal amount of such Note allocated to the relevant Reference Entity immediately prior to such Succession Event divided by the number of Multiple Successors (the "**Allocated Principal Amount**"); and

(B) each Note shall be redeemed in part, not in whole (except where the Credit Event relates to the only Multiple Successor that has not already suffered a Credit Event):

- (I) *Principal Amount to be redeemed:* the aggregate principal amount of the Notes redeemed shall be equal to the Allocated Principal Amount multiplied by the Number of Notes.
- (II) *Cessation of Interest:* Interest shall cease to accrue on the principal amount of the Notes from and including the Interest Period Date immediately preceding the Event Determination Date.
- (III) *Partial Physical Settlement Entitlement deliverable:* in such circumstances each Note will be redeemed by delivery of the relevant Partial Physical Settlement Entitlement on the Physical Settlement Date. More than one Physical Settlement Entitlement or Partial Physical Settlement Entitlement may be deliverable on the same day in respect of different Multiple Successors but, subject to the provisions of paragraphs 40(v)(i) and (ii) above, not more than one Credit Event Notice may be delivered in relation to a single Multiple Successor or particular principal amount of Notes.

Following a partial redemption pursuant to this paragraph 40(v), the Calculation Agent may make such modifications to the Conditions of the Notes as it considers necessary in its sole discretion to reflect such modifications that the calculation agent may make pursuant to paragraph 40(v)(ii).

The Issuer will provide to the Noteholders in accordance with Condition 16 a copy of the Credit Event Notice, the Notice of Publicly Available Information and the Notice of Physical Settlement which the Determination Agent delivers to it as soon as practicable after receipt of the

same.

**41** Maturity Date:

12 January 2040 (the “**Scheduled Maturity Date**”), provided that:

(i) if the Determination Agent notifies the Issuer at any time on or prior to the Scheduled Maturity Date of its determination (which shall be exercisable in its sole discretion) that a Credit Event may have occurred in relation to any Reference Entity in the period from and including 18 January 2008 (the “**Credit Linkage Start Date**”) to and including the Scheduled Maturity Date (the “**Credit Linkage End Date**”) in respect of which the Physical Settlement Date may fall later than the Scheduled Maturity Date (such notice a “**Potential Credit Event Notice**”), the Maturity Date shall be postponed as follows:

- (a) in the event that the Conditions to Settlement are satisfied, the Maturity Date shall be postponed until the Physical Settlement Date or, in circumstances set out under “Partial Cash Settlement due to Impossibility/Illegality” in paragraph 40(iv) above, the Business Day after the Latest Permissible Physical Settlement Date. In such circumstances, each Note shall be redeemed on the Physical Settlement Date (or the third London Business Day after the Latest Permissible Physical Settlement Date, as the case may be) as provided in paragraph 40(iv) above; or
- (b) in the event that an Event Determination Date does not occur during the Notice Delivery Period or the Conditions to Settlement are not satisfied within 30 calendar days of the occurrence of the Event Determination Date, the Maturity Date shall be postponed until the date falling 12 Business Days after the later of (i) the last day of the Notice Delivery Period and (ii) the expiry of such 30 calendar day period. In such circumstances, each Note shall be redeemed, together with interest on the deferred redemption amount, as provided in paragraph 40(i) above.

(ii) if a Potential Failure to Pay exists on the Scheduled Maturity Date, the Maturity Date shall be postponed (but for the avoidance of doubt shall not be accelerated) until the date falling two Business Days after the Grace Period Extension Date unless a Failure to Pay in respect of such Potential Failure to Pay occurs on or prior to the Grace Period Extension Date, in which case the Maturity

Date shall be further postponed as set out in paragraph (i) above.

(iii) if a Potential Repudiation/Moratorium exists on the Scheduled Maturity Date, the Maturity Date shall be postponed (but for the avoidance of doubt shall not be accelerated) until the date falling two Business Days after the Repudiation/Moratorium Evaluation Date.

A notice of postponement of the Maturity Date will be given to the Noteholders in accordance with Condition 16, to the Irish Stock Exchange or to the Irish Financial Services Regulatory Authority as required by S.I. 324 of 2005 and to the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A. de C.V.*) under its regulations as soon as practicable by or on behalf of the Issuer.

Where the Maturity Date has been postponed in accordance with any of the above paragraphs, and the Notes are redeemed following the satisfaction of the Conditions to Settlement, the final Interest Accrual Period shall end on the final Interest Payment Date and the Interest Amount payable shall be calculated in accordance with paragraph 59 below and be payable on the Maturity Date as so extended. No amount shall be payable to Noteholders in respect of such postponement.

Where the Maturity Date has been postponed in accordance with any of the above paragraphs but the Conditions to Settlement are not satisfied, the Issuer shall pay to Noteholders (i) the relevant Interest Amount that would otherwise have been payable on the Interest Payment Date falling on the Scheduled Maturity Date together with interest accrued on such deferred interest amount in accordance with paragraph 19 above and (ii) the Redemption Amount together with the Overnight Interest Amount accrued on the Deferred Redemption Amount in accordance with paragraph 40(i) above.

- |           |                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>42</b> | Redemption for taxation reasons permitted on days other than Interest Payment Dates: | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>43</b> | Index/Formula (Indexed Notes):                                                       | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>44</b> | Calculation Agent and Determination Agent:                                           | Citibank, N.A., London Branch shall be the Calculation Agent and Citigroup Global Markets Limited shall be the Determination Agent.<br><br>Any amounts failing to be determined by the Calculation Agent or the Determination Agent pursuant to these Conditions shall be determined by it in its sole and absolute discretion, acting in a commercially reasonable manner, rounding (where necessary) the relevant amount down to the nearest unit of the Relevant |

		Currency. For these purposes, "unit" means the lowest amount of the Relevant Currency which is available as legal tender in the country or countries of such Relevant Currency.
<b>45</b>	Dual Currency Notes:	Not applicable
<b>46</b>	Partly-Paid Notes:	Not applicable
<b>47</b>	Amortisation Yield (Zero Coupon Notes):	Not applicable
<b>48</b>	Terms of redemption at the option of the Issuer or other Issuer's option (if applicable):	Not applicable
<b>49</b>	Terms of redemption at the option of the Noteholders or other Noteholders' Option (if applicable):	Not applicable
<b>50</b>	Issuer's Option Period:	Not applicable
<b>51</b>	Noteholders' Option Period:	Not applicable
<b>52</b>	Instalment Date(s) (if applicable):	Not applicable
<b>53</b>	Instalment Amount(s) (if applicable):	Not applicable
<b>54</b>	Unmatured Coupons to become void upon early redemption:	Not applicable
<b>55</b>	Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon (Bearer Notes):	Not applicable
<b>56</b>	Business Day Jurisdictions for Condition 8.8 (jurisdictions required to be open for payment):	London, New York and Mexico City
<b>57</b>	Modification to definition of Business Day in Condition 6.2 (if any):	Mexico City and New York (but not London) shall each be deemed to be specified as a financial centre solely for the purposes of Valuation Dates.
<b>58</b>	Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 13.1 (if applicable):	Not applicable
<b>59</b>	Details of any other additions or variations to the Conditions (if applicable):	Interest: Interest will accrue on each Note from and including the Interest Commencement Date. The interest accrued during each Interest Accrual Period will be payable on the Interest Payment Date immediately following the end of the relevant Interest Accrual Period. The interest amount payable in respect of the Notes on

each Interest Payment Date (“IA”) will be calculated as set out in the equation below. The interest amount payable in MXN in respect of each Note shall be the amount IA divided by the Number of Notes.

$$IA = 4.74\% * \text{Reference UDI Amount} * \text{MXN/UDI Rate} * 30/360.$$

Where:

“**MXN**” means the lawful currency of the United Mexican States or any successor (“**Mexico**”). MXN will be deemed to include any lawful successor currency (“**Successor Currency**”) of Mexico. If after the Trade Date and before the Valuation Date, Mexico has lawfully eliminated, converted, redenominated or exchanged its currency in effect on the Trade Date or any Successor Currency, as the case may be (the “**Original Currency**”) for a Successor Currency, then for purposes of calculating any amounts of such currency pursuant to these Notes, and for purposes of effecting settlement thereof, any Original Currency amounts will be converted into the Successor Currency by multiplying the amount of Original Currency by a ratio of Successor Currency to Original Currency, which ratio shall be calculated on the basis of the exchange rate set forth by Mexico for converting the original Currency to the Successor Currency on the date on which the elimination, conversion, redenomination or exchange took place. If there is more than one such date, the date closest to the relevant date will be selected.

“**MXN/UDI Rate**” means the MXN/UDI rate, expressed as the amount of Mexican Pesos per *Unidad de Inversión* (“**UDI**”) reported by the Central Bank of Mexico (*Banco de México*) on the *Diario Oficial de la Federación* (“**DOF**”) [www.dof.gob.mx](http://www.dof.gob.mx) on the Valuation Date. If the UDI is replaced or substituted for another unit by the Central Bank of Mexico, references herein to UDI shall be to the unit replacing or substituting the UDI to the extent that (a) such unit is applicable to cash lending transactions payable under the same conditions as the UDI, (b) such unit is determined by the Central Bank of Mexico, and (c) such unit is published in the DOF or another official publication in respect of the relevant date. If for any reason, the UDI, or any unit replacing or substituting it, is not available and published by the Central Bank of Mexico in respect of the relevant date, then the Calculation Agent shall determine the UDI in its sole discretion.

“**Reference UDI Amount**” means 63,698,409.11.

“**Unscheduled Holiday(s)**” means, in respect of a Valuation Date, that a day is not a New York and Mexico City Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m., Mexico City time, two New York and Mexico City Business Days prior to such date.

“**Valuation Date**” means two Mexico City and New York Business Days preceding each Interest Period Date, early redemption date or Maturity Date, as the case may be (and determined without giving effect to Unscheduled Holidays).

“**30/360**” has the meaning given to such expression in Condition 6.9 of the Notes.

The provisions of Condition 4.1 are varied as set out in Annex 3 to this Series Prospectus.

<b>60</b>	Details of any additions or variations to the Dealer Agreement:	None
<b>61</b>	The Agents appointed in respect of the Notes are:	<p>Citibank, N.A., London Branch Citigroup Centre Canada Square Canary Wharf London E14 5LB</p> <p>as Calculation Agent, Issuing and Paying Agent and Custodian</p> <p>Citigroup Global Markets Limited Citigroup Centre Canada Square Canary Wharf London E14 5LB</p> <p>as Determination Agent and Disposal Agent</p> <p>Arthur Cox Listing Services Limited Earlsfort Centre Earlsfort Terrace Dublin 2</p> <p>as Irish Listing Agent</p> <p>Citibank International plc 1 North Wall Quay Dublin 1</p> <p>as Irish Paying Agent</p>
<b>62</b>	Purchase by the Issuer of Notes:	The Issuer may purchase Notes at any time.
<b>63</b>	Settlement Method and Net Price payable to Issuer:	Delivery free of payment

### Provisions applicable to Global Notes and Certificates

- |           |                                                                                                                                        |                                                    |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| <b>64</b> | How Notes will be represented on issue:                                                                                                | Temporary Global Note                              |
| <b>65</b> | Applicable TEFRA exemption:                                                                                                            | D Rules                                            |
| <b>66</b> | Whether Temporary/Permanent Global Note is exchangeable for Definitive Notes/<br>Individual Certificates at the request of the holder: | Yes, in limited circumstances for Definitive Notes |

### Provisions relating only to the sale and listing of the Notes

- |           |                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>67</b> | Details of any additions or variations to the selling restrictions: | <p>THE NOTES HAVE NOT BEEN REGISTERED IN THE MEXICAN NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) AND THEREFORE THEY ARE NOT THE SUBJECT OF A PUBLIC OFFER IN MEXICO. INTERMEDIATION OF THE NOTES IN MEXICO IS SUBJECT TO THE RESTRICTIONS OF THE MEXICAN SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES). ANY INVESTOR OF MEXICAN NATIONALITY THAT PURCHASES THESE NOTES WILL DO SO UNDER ITS OWN RESPONSIBILITY.</p> <p>THE INFORMATION CONTAINED IN THIS SERIES PROSPECTUS IS THE EXCLUSIVE RESPONSIBILITY OF THE ISSUER (OTHER THAN THE INFORMATION RELATING TO THE SWAP GUARANTOR CONTAINED IN ANNEX 4 HERETO) AND HAS NOT BEEN REVIEWED BY THE NATIONAL BANKING AND SECURITIES COMMISSION OF MEXICO (COMISIÓN NACIONAL BANCARIA Y DE VALORES).</p>                                                                                                                                        |
| <b>68</b> | Listing:                                                            | <p>Application has been made to the Irish Financial Services Regulatory Authority (the “<b>IFSRA</b>”) as competent authority under Directive 2003/71/EC for this Series Prospectus to be approved. Application has been made to the Irish Stock Exchange Limited (the “<b>Irish Stock Exchange</b>”) for the Notes to be admitted to the Official List and trading on its regulated market. The Irish Stock Exchange’s regulated market is a regulated market for the purposes of Directive 2004/39/EC (the “<b>Markets in Financial Instruments Directive</b>”).</p> <p>Application for listing the Notes to trade on the International Quotation System (<i>Sistema Internacional de Cotizaciones</i> or “<b>SIC</b>”) will also be filed with the Mexican Stock Exchange (<i>Bolsa Mexicana de Valores, S.A. de C.V.</i>). There can be no assurance that any such listing will be granted or maintained.</p> |

	Estimate of total expenses related to admission to trading:	All such expenses are being paid by the Arranger
<b>69</b>	Dealer's Commission:	None
<b>70</b>	Method of Issue:	Individual Dealer
<b>71</b>	The following Dealer is subscribing to the Notes:	Citigroup Global Markets Limited.
<b>72</b>	Rating:	Initially rated "BBB" by Fitch Ratings Limited (" <b>Fitch</b> "). Any communications to Fitch shall be addressed to it at: Address: 1 State St. Plaza New York, New York 10004 Telephone: +1(212) 908-0500 Fax: +1(212) 514-6501 Email: cdo.surveillance@fitchratings.com Attention: Structured Credit Surveillance

### The Security Arrangements

<b>73</b>	Mortgaged Property:	
	(a) Collateral:	See Annex 3
	(b) Security (order of priorities):	The Trustee shall apply all moneys received by it under the Trust Deed in connection with the realisation or enforcement of the security constituted by or pursuant to the Trust Deed (the " <b>Proceeds</b> ") in accordance with " <i>Pari Passu</i> Ranking" except:  (i) where the security has become enforceable as a result (directly or indirectly) of a Swap Counterparty Default or a Tax Event Upon Merger or any breach or default of any obligation in respect of the Collateral by the issuer thereof, in which case the Proceeds shall be applied in accordance with "Noteholder Priority"; and  (ii) where the security has become enforceable as a result (directly or indirectly) of a mandatory redemption for taxation and other reasons pursuant to Condition 7.3, in which case the Proceeds shall be applied in accordance with "Counterparty Priority A".  Investors should have regard to Condition 4.2 ( <i>Application of Security</i> ) in the Base Prospectus for details of the application of monies upon redemption or enforcement of the security in accordance with the above provisions.
	(c) Option Agreement (if applicable):	Not applicable

	Option Counterparty(ies):	Not applicable
	Option Guarantor (if applicable):	Not applicable
(d)	Swap Agreement (if applicable):	See Annexes 4 and 5 to this Series Prospectus.
	Swap Counterparty(ies):	Citigroup Global Markets Limited, whose registered office is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.
	Swap Guarantor (if applicable):	Citigroup Inc., whose principal office is 399 Park Avenue, New York, New York 10013, United States of America. See Annex 4 to this Series Prospectus.
	Swap Guarantee:	See Annex 4 to this Series Prospectus.
(e)	Details of Credit Support Document (if applicable):	Swap Guarantee
(f)	Credit Support Provider:	Swap Guarantor
<b>74</b>	Priority of interests in Mortgaged Property:	As set out in paragraph 73(b) above.
<b>75</b>	Mandatory Redemption:	Mandatory Redemption A
<b>76</b>	Noteholder Substitution of Collateral:	Applicable

This Series Prospectus is hereby executed by or on behalf of the Issuer.

**CLOVERIE PLC**

By:

## ANNEX 1 DEFINED TERMS

**“Business Day”** means, for the purposes of Valuation Dates, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Mexico City and New York, for the purposes only of delivery of the Physical Settlement Entitlement, London, New York and any other jurisdiction in which a bank must be open in order to effect settlement of any Deliverable Obligation(s) and for all other purposes, London and New York.

**“Collateral Issuer”** means the issuer of the Collateral.

**“Collateral Maturity Date”** means 11 January 2040.

**“Collateral Payment Date”** means each date on which interest and/or principal is due and payable in respect of the Collateral (taking into consideration any applicable grace period under the terms of the Collateral).

**“Notes Currency”** means Mexican Pesos.

**“Number of Notes”** means, as at the Issue Date, 125 and, following any purchase and cancellation of Notes by the Issuer pursuant to Condition 7.4, such lesser number of Notes outstanding.

**“Partial Physical Settlement Entitlement”** means, in respect of each Note, a *pro rata* share of the amount of the Deliverable Obligations deliverable to or to the order of the Issuer or, in the case of paragraph 40(v)(a), a principal amount of Notes equal to the relevant Exercise Amount and in the case of paragraph 40(v)(b), the relevant Allocated Principal Amount, to which a Noteholder may be entitled, calculated by reference to the aggregate number of Notes then outstanding. If the aggregate Physical Settlement Entitlement of a Noteholder in respect of all of its Notes is not a transferable amount of the Deliverable Obligations, the Issuer shall deliver an amount of Deliverable Obligations equal to such Physical Settlement Entitlement rounded down to the nearest whole Deliverable Obligation and shall pay such Noteholder a cash amount (converted if necessary into the currency of issue of the Notes at the then prevailing spot rate) equal to the market value of the remainder of the Physical Settlement Entitlement, as determined by the Swap Counterparty in its absolute discretion and references to the “Physical Settlement Entitlement” shall include any such cash amount.

**“Physical Settlement Entitlement”** means, in respect of each Note, a *pro rata* share of the amount of the Deliverable Obligations deliverable to or to the order of the Issuer, to which a Noteholder may be entitled, calculated by reference to the aggregate number of Notes then outstanding. If the aggregate Physical Settlement Entitlement of a Noteholder in respect of all of its Notes is not a transferable amount of the Deliverable Obligations, the Issuer shall deliver an amount of Deliverable Obligations equal to such Physical Settlement Entitlement rounded down to the nearest whole Deliverable Obligation and shall pay such Noteholder a cash amount (converted if necessary into the currency of issue of the Notes at the then prevailing spot rate) equal to the market value of the remainder of the Physical Settlement Entitlement, as determined by the Determination Agent in its absolute discretion and references to the “Physical Settlement Entitlement” shall include any such cash amount.

**“Swap Counterparty Default”** means an Event of Default (as defined in the Swap Agreement) where the Swap Counterparty is the Defaulting Party (as defined in the ISDA Master Agreement).

**“Swap Termination Value”** means the aggregate of the early termination payments due from or, as the case may be, to the Swap Counterparty under the Interest Rate Swap, the calculation of which is described under “Consequences of Early Termination in Whole” in Annex 4 to the Series Prospectus.

**“Trade Date”** means 18 January 2008.

**“UCC”** means the Uniform Commercial Code as in effect in any applicable jurisdiction of the United States of America.

## ANNEX 2 CREDIT DEFINITIONS

**"Accelerated or Matured"** means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

**"Accreting Obligation"** means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face value thereof) plus an additional amount or amounts (on account of original issue discount or other interest accruals not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to any contingency or determined by reference to a formula or index or, (b) periodic cash interest is also payable.

**"Affiliate"** means, in relation to any person, any other person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person (and, for the purposes of this definition, **"control"** of a person means the power, direct or indirect, (i) to vote more than fifty per cent. (50%) of the securities having ordinary voting power for the election of directors of such person, or (ii) to direct or cause the direction of the management and policies of such person, whether by contract or otherwise).

**"Assignable Loan"** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organization) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent.

**"Best Available Information"** means:

- (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information or, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination as to which entity succeeds to the Obligations pursuant to the relevant Succession Event, other relevant information that is contained in any written communication provided by such Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (ii) in the case of a Reference Entity which does not file with securities regulators or a stock exchange, or which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make its determination.

Information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information.

**"Bond"** means any obligation of a type included in the **"Borrowed Money"** Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money.

**"Bond or Loan"** means any obligation that is either a Bond or a Loan.

**"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

**"Calculation Agent"** means Merrill Lynch International, which expression shall include any successor as Calculation Agent.

**"Conditions to Settlement"** means Credit Event Notice and Notice of Physical Settlement, and Notice of Publicly Available Information.

**"Convertible Obligation"** means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

**"Credit Event"** means, with respect to any Reference Entity or its Obligations, the occurrence of any of the following: Obligation Acceleration, Failure to Pay, Restructuring or Repudiation/Moratorium. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon: (i) any lack or alleged lack of authority or capacity of such Reference Entity to enter into any Obligation, or as applicable, an Underlying Obligor to enter into any Underlying Obligation, (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation, or, as applicable, any Underlying Obligation, however described, (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**"Credit Event Notice"** means an irrevocable notice from the Determination Agent (which may be by telephone) to the Issuer and the Noteholders in accordance with Condition 16 that describes a Credit Event that occurred at or after 12:01 a.m., Greenwich Mean Time, on the Issue Date and at or prior to 11:59 p.m., Greenwich Mean Time, on the latest of:

- (a) the Scheduled Maturity Date;
- (b) the Grace Period Extension Date if:
  - (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date; and

- (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11:59 p.m., Greenwich Mean Time, on the Scheduled Maturity Date; and
- (c) the Repudiation/Moratorium Evaluation Date if:
  - (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date;
  - (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs at or prior to 11:59 p.m., Greenwich Mean Time, on the Scheduled Maturity Date; and
  - (iii) the Repudiation/Moratorium Extension Condition is satisfied.

**"Default Requirement"** means USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.

**"Deliver"** means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Deliverable Obligations specified in the Notice of Physical Settlement to the Issuer free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defense (other than a counterclaim or defense based on the factors set forth under the definition of "Credit Event") or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor); provided that to the extent that the Deliverable Obligations consist of Direct Loan Participations, **"Deliver"** means to create (or procure the creation) of a participation in favor of the Issuer and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, **"Deliver"** means to Deliver both the Qualifying Guarantee and the Underlying Obligation. **"Delivery"** and **"Delivered"** will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

**"Deliverable Obligation"** means, with respect to the Reference Entity, the Reference Obligation.

**"Delivery Date"** means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

**"Designated Period"** means 30 years.

**"Designated Specified Currency"** means an obligation that is payable in any of the Standard Specified Currency.

**"Domestic Currency"** means the lawful currency and any successor currency of (a) the Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organized, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom, the United States or the euro (or any successor to any such currency).

**"Downstream Affiliate"** means, with respect to any Reference Entity, an entity whose Voting Shares were, at the date of issuance of a Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by such Reference Entity.

**"Due and Payable Amount"** means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

**"Equity Securities"** means:

- (i) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and

- (ii) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing equity securities or a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

**"Event Determination Date"** means the first date on which both the Credit Event Notice and, if applicable, the Notice of Publicly Available Information are effective.

**"Exchangeable Obligation"** means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure. Grace Period Extension shall be applicable for Failure to Pay.

**"Governmental Authority"** means, with respect to any Reference Entity, any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of such Reference Entity or of the jurisdiction of organization of such Reference Entity.

**"Grace Period"** means the applicable grace period with respect to payments under the relevant Obligation, pursuant to the terms of such Obligation in effect as of the later of the Issue Date and the date as of which such Obligation is issued or incurred.

**"Grace Period Extension Date"** means, if (a) Grace Period Extension is specified as applicable and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date, the earlier of the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay and the date, if any, upon which such Potential Failure to Pay is cured. If Grace Period Extension is not specified as applicable, Grace Period Extension shall not apply to Notes. If (i) Grace Period Extension is specified as applicable, (ii) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date and (iii) an Event Determination Date in respect of that Failure to Pay does not occur during the Notice Delivery Period, the Grace Period Extension Date will be the Termination Date (even if a Failure to Pay occurs after the Scheduled Maturity Date).

**"Latest Permissible Physical Settlement Date"** means the date that is thirty calendar days after the Physical Settlement Date.

**"Listed"** means an obligation that is quoted, listed or ordinarily purchased on an exchange.

**"Loan"** means, with respect to any Reference Entity, any obligation of such Reference Entity (whether as principal or surety or otherwise) in respect of Borrowed Money that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement.

**"Not Bearer"** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognized clearing system.

**"Not Contingent"** means any obligation having, as of the Delivery Date and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy this characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

**"Not Domestic Currency"** means any obligation that is payable in any currency other than the Domestic Currency.

**"Not Domestic Issuance"** means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of such Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of such Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of such Reference Entity.

**"Not Domestic Law"** means an obligation that is not governed by the laws of (A) the Reference Entity, if such Reference Entity is a Sovereign, or (B) the jurisdiction of organization of such Reference Entity, if such Reference Entity is not a Sovereign.

**"Notice Delivery Period"** means the period from and including the Issue Date to and including the date that is fourteen calendar days after (a) the Scheduled Maturity Date; (b) the Grace Period Extension Date if (i) Grace Period Extension is specified as applicable, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Maturity Date; or (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied.

**"Notice of Physical Settlement"** means a notice from the Determination Agent to the Issuer containing a detailed description of the Deliverable Obligations that the Determination Agent will Deliver to the Issuer on the Physical Settlement Date, provided that the Determination Agent may notify the Issuer that it is changing one or more Deliverable Obligations to be Delivered (to the extent that such Deliverable Obligation has not previously been Delivered) but such notification must be effective on or prior to the Physical Settlement Date (determined without reference to any such change). Notwithstanding the foregoing, the Determination Agent may correct any errors or inconsistencies in the detailed description of the Deliverable Obligations by notice to the Seller prior to the relevant date of Delivery of the Deliverable Obligations.

**"Notice of Publicly Available Information"** means an irrevocable notice from the Determination Agent to the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event described in a Credit Notice. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If a Credit Notice contains Publicly Available Information, such Credit Notice will also be deemed to be a Notice of Publicly Available Information.

**"Not Sovereign Lender"** means an obligation that is not primarily owed to a Sovereign or Supranational Organization, including, without limitation, obligations generally referred to as "Paris Club debt".

**"Not Subordinated"** means an obligation that is not Subordinated to (i) the most senior Reference Obligation in priority of payment or (ii) if there is no Reference Obligation, any unsubordinated Borrowed Money obligation of the Reference Entity. For the purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic, the ranking in priority of payment of each Reference Obligation shall be determined as of the later of (i) the Trade Date and (2) the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date.

**"Obligation"** means, with respect to the Reference Entity, the Reference Obligation and any other obligation of such Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or as provider of any Qualifying Guarantee) described by the Obligation Category specified and having each of the Obligation Characteristics specified, in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Notice.

**"Obligation Acceleration"** means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**"Obligation Category"** means Bonds only.

**"Obligation Characteristics"** means any one or more of Not Subordinated, Not Domestic Law, Not Domestic Currency and Not Domestic Issuance.

**"Obligation Currency"** means the currency or currencies in which an Obligation is denominated.

**"outstanding principal amount"** means in relation to the Note the Aggregate Principal Amount.

**"Payment Requirement"** means USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the date of occurrence of the relevant Failure to Pay.

**"Permitted Currency"** means (i) the legal tender of any Group of Seven country (or any country that becomes a member of the Group of Seven if such Group of Seven expands its membership, whether or not such group shall thereafter be named or identified as the Group of Seven) or (ii) the legal tender of any country which, as of the date of such change, is a member of the Organization for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's Corporation or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investor Services or any successor to the rating business thereof or AAA or higher assigned to it by Fitch or any successor to the rating business thereof.

**"Physical Settlement Date"** means the date that is 30 Business Days after the date of delivery of the Notice of Physical Settlement.

**"Potential Failure to Pay"** means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

**"Potential Repudiation/Moratorium"** means the occurrence of an event described in paragraph (i) of the definition of Repudiation/Moratorium.

**"Public Source"** means each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organized and any other internationally recognized published or electronically displayed news sources.

**"Publicly Available Information"** means information that reasonably confirms any of the facts relevant to the determination that the Credit Event described in the Credit Notice has occurred and which (i) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Company or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless such party or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation, (ii) is information received from or published by a trustee, fiscal agent, clearing agent or paying agent for an Obligation or (iii) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

**"Qualifying Affiliate Guarantee"** means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

**"Qualifying Guarantee"** means, with respect to the Reference Entity, an arrangement evidenced by a written instrument pursuant to which the Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **"Underlying Obligation"**) for which another party is the obligor (the **"Underlying Obligor"**). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

In the event that an Obligation or Deliverable Obligation is a Qualifying Guarantee, the following will apply:

- (i) For purposes of determining whether such Obligation is an Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
- (ii) For purposes of the application of the Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the following Obligation Characteristics that are included in the definition of Obligation Characteristic: Designated Specified Currency, Not Domestic Currency, Not Domestic Law and Not Sovereign Lender. For these purposes, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.
- (iii) For purposes of the application of the Obligation Characteristics: only the Qualifying Guarantee must satisfy on the relevant date each of the following Obligation Characteristics that are included in the definition of Obligation Characteristic: Not Subordinated.
- (iv) For purposes of the application of the Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the following Obligation Characteristics that are included in the definition of Obligation Characteristic: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Maximum Maturity, Transferable, Accelerated or Matured and Not Bearer.
- (v) For purposes of the application of the Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (vi) The terms "outstanding principal balance" and "Due and Payable Amount" when used in connection with Qualifying Guarantees are to be interpreted to be the then "outstanding principal balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.
- (vii) For the purposes of the definition of Restructuring, references therein to "Reference Entity" in part (a) thereof shall be deemed to refer to the Underlying Obligor, and references therein to "Reference Entity" in part (b) thereof shall continue to refer to the Reference Entity.

**"Reference Entity"** means the United Mexican States or any Successor(s) thereof.

**"Reference Obligation"** means the obligation identified as follows:

Primary Obligor:	United Mexican States
Maturity:	11 January 2040
Coupon:	6.05%
ISIN:	US91086QAV05

and any Substitute Reference Obligation.

**"Relevant Obligations"** means, with respect to the Reference Entity, the Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity to which such Relevant Obligations are transferred on the basis of the Best Available Information. If the date on which the Best Available Information is available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

**"Repudiation/Moratorium"** means, with respect to any Reference Entity, the occurrence of both of the following events: (i) an authorized officer of such Reference Entity or a Governmental Authority (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date. Grace Period Extension shall be applicable for Repudiation/Moratorium.

**"Repudiation/Moratorium Evaluation Date"** means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date, (i) if Obligations to which such Potential Repudiation/Moratorium relates includes Bonds, the date that is the later of (A) the date that is 60 calendar days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 calendar days after the date of such Repudiation/Moratorium.

**"Repudiation/Moratorium Extension Condition"** is satisfied by the delivery of a Repudiation/Moratorium Extension Notice and, if specified as applicable, Notice of Publicly Available Information by the Notifying Party to the other party that is effective during the period described in clause (a) of the definition of Notice Delivery Period.

**"Restructuring"** means, with respect to any Reference Entity:

- (a) that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between such Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by such Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
  - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
  - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.
- (b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:
  - (i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
  - (ii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (iii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of such Reference Entity.
- (c) For the purposes of (a) and (b) above, the term Obligation shall be deemed to include Underlying Obligations for which such Reference Entity is acting as provider of a Qualifying

Affiliate Guarantee or as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in (a) above shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in (b) above shall continue to refer to the Reference Entity.

Multiple Holder Obligation shall be applicable for restructuring.

**"Sovereign"** means any state, political subdivision or government, or agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

**"Standard Specified Currency"** means the lawful currencies of each of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro (and any successor currency to any such currency).

**"Substitute Reference Obligation"** means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (a) in the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of the Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, a Reference Obligation is no longer an obligation of the Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.
- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks pari passu (or, if no such Obligation exists, then, at the Issuer's option, an Obligation that ranks senior) in priority of payment which such Reference Obligation (with the ranking in priority of such Reference Obligation being determined as of the later of (A) the Trade Date and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (2) preserves the economic equivalent as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the Issuer, (3) is an obligation of the Reference Entity (either directly or as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (c) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under clause (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

- (d) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under clause (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- (e) If (i) more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under clause (a) above has occurred with respect to all of the Reference Obligations and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations, or (ii) only one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under clause (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Maturity Date. If the Reference Obligation is the only Deliverable Obligation and on or prior to the Maturity Date a Substitute Reference Obligation has not been identified, the Issuer's obligations to Deliver the Reference Obligation, as the case may be, shall cease as of the Maturity Date.
- (f) For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

**"Subordination"** means, with respect to any Reference Entity, and with respect to an obligation (the **"Subordinated Obligation"**) and another obligation of such Reference Entity to which such obligation is being compared (the **"Senior Obligation"**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganization or winding up of such Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against such Reference Entity at any time that such Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **"Subordinated"** will be construed accordingly. For the purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where such Reference Entity is a Sovereign.

**"Succession Event"** means an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement. Notwithstanding the foregoing, **"Succession Event"** shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event.

**"Successor"** means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined by the Calculation Agent in its discretion as soon as reasonably practicable after it becomes aware of the relevant Succession Event, with effect from the legally effective date of the Succession Event as set forth below:
  - (i) if an entity directly or indirectly succeeds to 75% or more of the Relevant Obligations of such Reference Entity by way of a Succession Event, that entity will be the sole Successor;
  - (ii) if one entity directly or indirectly succeeds to more than 25% (but less than 75%) of the Relevant Obligations of such Reference Entity by way of a Succession Event, and not more than 25% of the Relevant Obligations of such Reference Entity remains with such Reference Entity, the entity that succeeds to more than 25% of the Relevant Obligations will be the sole Successor;
  - (iii) if more than one entity each directly or indirectly succeed to more than 25% of the Relevant Obligations of such Reference Entity by way of a Succession Event, and not more than 25% of the Relevant Obligations of such Reference Entity remains with such Reference Entity, the entities that succeed to more than 25% of the Relevant Obligations will be Successors;
  - (iv) if one or more entities each directly or indirectly succeed to more than 25% of the Relevant Obligations of such Reference Entity by way of a Succession Event, and more than 25% of the Relevant Obligations of such Reference Entity remains with the Relevant Obligation of such Reference Entity, each such entity and such Reference Entity will be Successors;
  - (v) if one or more entities directly or indirectly succeed to a part of the Relevant Obligation of such Reference Entity by way of a Succession Event, but no entity succeeds to more than 25% of the Relevant Obligations of such Reference Entity and such Reference Entity continues to exist, there will be no Successor and such Reference Entity and the Note will not be changed in any way as a result of the Succession Event; and
  - (vi) if one or more entities directly or indirectly succeed to a part of the Relevant Obligation of such Reference Entity by way of a Succession Event, but no entity succeeds to more than 25% of the Relevant Obligations of such Reference Entity and such Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the

greatest percentage of obligations) of such Reference Entity will be the sole Successor; and

- (b) in relation to a Reference Entity that is a Sovereign, any direct or indirect successor(s) to that Reference Entity irrespective of whether any such successor assumes any of the obligations of such Reference Entity.

Where, pursuant to the foregoing provisions, more than one Successor has been identified, the Calculation Agent shall have a right to amend any term of the Note as it sees fit with the intention of preserving, as closely as practicable, the economic equivalent of the original terms of the Note.

**"Transferable"** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

**"Voting Shares"** mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

## ANNEX 3 SECURITY

### Description of the Collateral

On the Issue Date the Issuer will purchase USD 23,000,000 in principal amount of the USD 1,500,000,000 United Mexican States Global Notes due 2040 (ISIN: US91086QAV05) of the United Mexican States (the “**Collateral Issuer**”) which shall be held by the Custodian acting through its London office pursuant to the Agency Agreement subject to the security interests in favour of the Trustee created by the Trust Deed (the “**Collateral**”).

The Collateral shall be subject to the security interests in favour of the Trustee created by the Trust Deed.

In the event that the rating of the Custodian’s short-term, unsecured, unsubordinated and unguaranteed debt obligations is downgraded to below “F1” by Fitch (the date on which such downgrade occurs being the “**Trigger Downgrade Date**”), the Custodian will within 30 calendar days of the relevant Trigger Downgrade Date identify and nominate to the Issuer a replacement entity which has short-term unsecured, unsubordinated and unguaranteed debt obligations rated “F1” or above by Fitch and the Issuer shall procure that such replacement entity assumes the obligations of the Custodian in respect of the Notes (and procure that such replacement entity enters into additional security arrangements in respect of the Collateral satisfactory to the Trustee and Fitch). The parties agree in the Supplemental Trust Deed that all costs incurred in connection with finding a replacement entity in accordance with this clause shall be paid by the Swap Counterparty.

The occurrence of a Credit Event in relation to the Reference Entity may result in the Issuer being required to make payments to the Determination Agent in respect of such Credit Events. If such payments are required to be made, the Issuer shall sell Collateral with a nominal amount which is at least equal to such shortfall, which sale shall be effected by the Disposal Agent on behalf of the Issuer pursuant to the Agency Agreement. The Trustee has, in the Supplemental Trust Deed, agreed to release the security over the Collateral to the extent required to enable such payments to be made. After any portion of the Collateral is so released from the security, it will cease to form a part of the Mortgaged Property and thereafter the Collateral will comprise the lesser amount of the Collateral held by the Issuer.

The following summary of the Collateral is qualified by reference to the detailed terms and conditions of the Collateral, as set out in the pricing supplement dated on 8 January 2008 relating to the Collateral, supplemental to the prospectus supplement and the prospectus each dated 24 September 2007 (together, the “**Collateral Prospectus**”). This information has been accurately reproduced from publicly available information and so far as the Issuer is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Collateral Prospectus does not form part of the Series Prospectus.

Title:	USD 1,500,000,000 United Mexican States Global Notes due 2040
Collateral Issuer:	United Mexican States

Registered Address of the Collateral Issuer:	Secretaría de Hacienda y Crédito Público Palacio Nacional Patio Central, 3er piso Oficina 3010 Colonia Centro México, D.F. 06000
Country of Incorporation:	United Mexican States
Nature of Business:	The United Mexican States is located in Middle America, borders the Caribbean Sea and the Gulf of Mexico, between Belize and the United States and bordering the North Pacific Ocean, between Guatemala and the United States. United Mexican States' natural resources consist of petroleum, silver, copper, gold, lead, zinc, natural gas and timber.
Principal Amount:	USD 23,000,000
Denomination:	USD 2,000
Issue Date:	11 January 2008
Final Maturity Date:	11 January 2040
Interest Rate:	6.05 per cent.
Interest Payment Dates:	11 January and 11 July in each year, commencing 11 July 2008
Form:	Registered
Ranking and limited recourse:	Unsecured and unsubordinated
Taxation:	As described in the Collateral Prospectus
Listing:	Euro MTF market of the Luxembourg Stock Exchange
Governing law:	New York law, except that all matters governing authorization and execution of the notes by Mexico are governed by the law of Mexico.
ISIN:	US91086QAV05
CUSIP:	91086QAV0
Ratings:	"Baa1" by Moody's, "BBB+" by Standard & Poor's and "BBB+" by Fitch

The Collateral Issuer has issued debt securities which are listed on the Frankfurt Stock Exchange.

### **Security Arrangements**

Subject as set out below, the obligations of the Issuer under the Notes and the Swap Agreement are secured, *inter alia*, by a first fixed charge over the Collateral. The Collateral will be held by the Custodian pursuant to the Agency Agreement.

Subject as set out below, the obligations of the Issuer under the Notes are secured pursuant to the

Trust Deed by (i) a first fixed charge over the Collateral in favour of the Trustee; (ii) an assignment by way of security in favour of the Trustee of all its rights, title and interest attaching to or relating to the Collateral and all sums derived therefrom including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary; (iii) an assignment by way of security in favour of the Trustee of all its rights, title and interest against the Custodian and the Disposal Agent, to the extent that they relate to the Collateral; (iv) an assignment by way of security in favour of the Trustee of all its rights, title and interest under the Swap Agreement and the Swap Guarantee and in respect of any sums received thereunder; (v) a first fixed charge in favour of the Trustee of (a) any sums held by the Issuing and Paying Agent and/or the Custodian and/or the Irish Paying Agent to meet payments due in respect of the obligations and duties of the Issuer under the Trust Deed, the Agency Agreement, the Notes and/or the Swap Agreement and (b) any sums received by the Issuing and Paying Agent under the Swap Agreement and/or the Swap Guarantee; (vi) an assignment by way of security in favour of the Trustee of all its rights, title and interest under the Agency Agreement and all sums derived therefrom in respect of the Notes and (vii) a grant by way of security interest in favour of the Trustee in all of the Issuer's rights, title and interest in and to the Issuer Custodian Account and all securities, financial assets, investment property, instruments, security entitlements (as such terms are defined in the UCC) and any other property held therein or credited thereto, all security entitlements with respect to any of the foregoing and all cash and non-cash proceeds of any of the foregoing (the Collateral, together with the rights and assets of the Issuer referred to in this paragraph, the "**Mortgaged Property**").

In circumstances where the Collateral is held by or through the Custodian in a clearing system, the security will take the form of an assignment of the Issuer's contractual rights against the Custodian rather than a charge over the Collateral.

Furthermore, a charge, although expressed in words which would suffice to create a fixed charge, may be treated as a floating charge, particularly if it appears that it was intended that the chargor should have licence to dispose of the assets charged in the course of its business without the consent of the chargee.

**In the event that the Mortgaged Property described above is realised by the Trustee on behalf of the Noteholders, there can be no assurance that the proceeds of realisation thereof will be sufficient to repay the principal amount due under the Notes and any other amount in respect thereof that is due.**

## ANNEX 4 THE SWAP AGREEMENT

The description of the Swap Agreement set out below is a summary of certain features of the Swap Agreement and is qualified by reference to the detailed provisions of the Swap Agreement.

### **Payments under the Swap Agreement**

Under a 1992 ISDA Master Agreement (Multicurrency - Cross Border) dated as of 27 August 2003 (including the Schedule thereto dated as of 12 June 2006) (together the “**ISDA Master Agreement**”), the Issuer and the Swap Counterparty have entered into a confirmation with an effective date of the Issue Date, confirming the terms of an interest rate swap (the “**Interest Rate Swap**”). The obligations of the Swap Counterparty to the Issuer are guaranteed by the Swap Guarantor pursuant to a guarantee dated as of 13 June 2006 (the “**Swap Guarantee**”).

Under the Interest Rate Swap the Issuer will pay to the Swap Counterparty periodic amounts equal to the interest and principal receivable on the Collateral and will receive from the Swap Counterparty (i) periodic amounts which equal the interest payable under the Notes and (ii) a final amount on the maturity date of the Notes equal to the principal repayable under the Notes on such date.

### **Termination of the Swap Agreement**

Except as stated in the following paragraphs, the Swap Agreement shall terminate on the Maturity Date of the Notes.

The Swap Agreement may be terminated, among other circumstances:

- (i) if at any time any of the Notes becomes payable in accordance with the Conditions prior to the Maturity Date;
- (ii) at the option of one party, if there is a failure by the other party to pay any amounts due, or to comply with or (in the case of the Swap Counterparty) perform any obligation, under the Swap Agreement; and
- (iii) if withholding taxes are imposed on payments made either by the Issuer or by the Swap Counterparty under the Swap Agreement or it becomes illegal for either party to perform its obligations under the Swap Agreement (see “Transfer to avoid Termination Event” below).

In addition to the foregoing, the Interest Rate Swap may also be terminated upon the occurrence of certain other events with respect to either party to the Interest Rate Swap, including insolvency, or, in respect of the Swap Counterparty, a merger without an assumption of the obligations in respect of the Swap Agreement or a Tax Event Upon Merger.

### **Consequences of Early Termination in Whole**

Upon any early termination of the Swap Agreement in the circumstances set out in sub-paragraphs (i) to (iii) of the immediately succeeding paragraph above, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other (regardless, if applicable, of which of such parties may have caused such termination) provided that no such payment (to the extent otherwise due from it) shall be made by the Issuer following an early termination of the Interest Rate Swap following a Swap Counterparty Default or a Tax Event Upon Merger. Such termination payments will be based on the replacement cost or gain for a swap agreement on substantially similar terms as the Swap Agreement that would have the effect of preserving for the party making the determination the economic equivalent of the Swap Agreement and, in the event that such replacement cost or gain cannot be determined or would not produce a commercially reasonable

result, such termination payment will be determined based on loss, as set out in more detail in the Swap Agreement.

### **General**

Except as stated under “Transfer to avoid Termination Event”, neither the Issuer nor the Swap Counterparty are, save for the assignment by way of security in favour of the Trustee under the Trust Deed and certain limited circumstances set out in Section 7 of the ISDA Master Agreement, permitted to assign, novate or transfer as a whole or in part any of their rights, obligations or interests under the Swap Agreement.

### **Taxation**

The Issuer is not obliged under the Swap Agreement to gross up if withholding taxes are imposed on payments made by it under the Swap Agreement. The Swap Counterparty is obliged to gross up if withholding taxes are imposed on payments made by it under either Swap Agreement unless it has exercised its right to designate an Early Termination Date under Section 6(b)(v) (*Transfer to Avoid Tax Event*) of the Swap Agreement.

### **Transfer to avoid Termination Event**

If withholding taxes are imposed on payments made by the Issuer or the Swap Counterparty under the Swap Agreement, then the Swap Counterparty shall, at its sole option, have the right to require the Issuer:

- (i) to transfer all of its interest and obligations under the Swap Agreement together with its interests and obligations under the Notes, the Trust Deed and the Agency Agreement to another entity, whether or not in the same tax jurisdiction as the Issuer, as would not have any obligation to withhold or deduct (if the Issuer is or would be required to make such deduction or withholding) or to which the Swap Counterparty would be entitled to make payments free from the relevant deduction or withholding and/or not to be subject to any gross-up obligations (if the Swap Counterparty is or would otherwise be required to make such withholding or deduction), subject to (i) obtaining the prior written consent of the Trustee and (ii) notifying Fitch of such transfer; or
- (ii) to transfer its residence for tax purposes to another jurisdiction, subject to (i) obtaining the prior written consent of the Trustee and (ii) notifying Fitch of such transfer.

If the Issuer is unable to transfer its interests to another party or to transfer its tax residence in accordance with the preceding provisions prior to the 30th calendar day following the date of imposition of such withholding taxes or, if earlier, the 10th calendar day prior to the first date on which it or the Swap Counterparty would otherwise be required to make a payment net of withholding taxes or subject to gross-up, the Swap Counterparty may terminate the swap transaction under the Swap Agreement.

### **The Swap Guarantor**

Set forth below is certain information in respect of Citigroup Inc. (the “**Swap Guarantor**”). This information has been accurately reproduced from the base prospectus dated 22 August 2007 of Citigroup Funding Inc. relating to its USD 20,000,000,000 Euro Medium Term Note Programme (in respect of which the Swap Guarantor is the guarantor) or from the “Investor Relations” page on the Swap Guarantor’s website at <http://www.citigroup.com>. The Swap Guarantor is a diversified global financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers with more than 200 million customer accounts doing business in more than 100 countries. The Swap Guarantor’s objects and purposes are to “engage in any lawful act or activity for which corporations may be organised under the General Corporation Law of Delaware”, as stated in Article THIRD of The Swap Guarantor’s Restated

Certificate of Incorporation. The Swap Guarantor's activities are conducted through the Global Consumer, Corporate and Investment Banking, Global Wealth Management, and Alternative Investments business segments. The Swap Guarantor's principal subsidiaries are Citibank, N.A., Associates First Capital Corporation, Citigroup Global Markets Inc., and Grupo Financiero Banamex, S.A. de C.V., each of which is a wholly owned, indirect subsidiary of the Swap Guarantor.

The Swap Guarantor is a holding company and services its obligations primarily with dividends and advances that it receives from subsidiaries. The Swap Guarantor's subsidiaries that operate in the banking and securities businesses can only pay dividends if they are in compliance with the applicable regulatory requirements imposed on them by federal and state bank regulatory authorities and securities regulators in the United States. The Swap Guarantor's subsidiaries may be party to credit agreements that also may restrict their ability to pay dividends. The Swap Guarantor currently believes that none of those regulatory or contractual restrictions on the ability of its subsidiaries to pay dividends will affect the Swap Guarantor's ability to service its own debt. The Swap Guarantor must also maintain the required capital levels of a bank holding company before it may pay dividends on its stock. Each of the Swap Guarantor's major operating subsidiaries finances its operation on a stand-alone basis consistent with its capitalisation and ratings.

Under longstanding policy of The Board of Governors of the Federal Reserve System, a bank holding company is expected to act as a source of financial strength for its subsidiary banks and to commit resources to support such banks. As a result of that policy, the Swap Guarantor may be required to commit resources to its subsidiary banks.

The Swap Guarantor has been assigned long-term unsecured senior debt ratings of "AA-" by Standard & Poor's, "Aa3" by Moody's Investors Service and "AA" by Fitch, and long-term unsecured subordinated debt ratings of "AA-" by Standard and Poor's, "Aa3" by Moody's Investors Service and "AA-" by Fitch.

The principal executive offices for the Swap Guarantor are located at 399 Park Avenue, New York, NY 10043. The Swap Guarantor was established as a corporation incorporated in Delaware on 8 March, 1988 with perpetual duration pursuant to the Delaware General Corporation Law. The Swap Guarantor's authorised stock consists of 15 billion shares of common stock and 30 million shares of preferred stock. As at 30 September 2006, there were 4,913,666,826 fully paid common stock shares outstanding. A common stock share carries one vote, and no pre-emptive or other subscription rights or conversion rights. A preferred stock share carries no general voting rights.

All of the Swap Guarantor's common stock and preferred stock are held in book entry form. Under U.S. law, no shareholder has to declare its holdings of voting equity in the Swap Guarantor unless it owns 5 per cent. or more of the outstanding shares.

The information in the preceding six paragraphs has been provided by the Swap Guarantor for use in this Series Prospectus. The Swap Guarantor accepts responsibility and the Issuer disclaims responsibility for the content in the preceding six paragraphs. Except for the preceding six paragraphs, the Swap Guarantor and its affiliates do not accept responsibility for this Series Prospectus as a whole.

*The internet addresses listed above do not form a part of this Series Prospectus for the purposes of application for listing of the Notes and approval of this Series Prospectus.*

**ANNEX 5**  
**FORM OF INTEREST RATE SWAP CONFIRMATION**

*Set out below is the form of the Interest Rate Swap Confirmation*

Date: 8 February 2008  
To: Cloverie Plc  
From: Citigroup Global Markets Limited  
Re: Interest Rate Swap relating to Cloverie Plc Series No: 2008-002 MXN 251,275,000 Inflation-Linked and United Mexican States Credit-Linked Variable Rate Secured Notes due 2040 (the "**Notes**") (SPV 9116581).

Dear Sirs,

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "**Transaction**"). This Confirmation constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2000 ISDA Definitions (the "**2000 Definitions**"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the 2000 Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 1992 ISDA Master Agreement dated as of 27 August 2003 and Schedule thereto dated as of 12 June 2006, as amended and restated from time to time (the "**Agreement**") between Citigroup Global Markets Limited ("**Party A**") and Cloverie Plc ("**Party B**"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Party A represents and warrants that it has the capacity and powers to enter into this Agreement and that the entry into this Agreement has been validly authorised, executed and delivered by it.

Capitalised terms used but not otherwise defined herein have the meanings given to such terms in the Series Prospectus dated 7 February 2008 relating to the issue of the Notes (the "**Series Prospectus**").

In this Confirmation, references to the "**Conditions**" are to the terms and conditions of the Notes as set out in the Series Prospectus.

In the event of any inconsistency between terms defined in this Confirmation and the corresponding terms in the Conditions, the terms as defined in Conditions, as the case may be, shall govern.

The terms of the Transaction to which this Confirmation relates are as follows:

**1 General Terms**

Trade Date: 18 January 2008

Effective Date: 8 February 2008

Termination Date: The Maturity Date of the Notes.  
Calculation Agent: Party A  
Calculation Agent City: London  
Business Days: London and New York (unless otherwise specified)  
Business Day Convention: Following (unless otherwise specified)

## 2 Party A Floating Amounts

Floating Rate Payer: Party A  
Floating Rate Payer Calculation Amount: Amounts which equal the interest payable by the Issuer under the Notes on such Interest Payment Date.  
Floating Rate Payer Payment Dates: Each Interest Payment Date in respect of the Notes.  
Floating Rate Payer Period End Dates: Each Interest Period Date in respect of the Notes.

For the purpose of determining any amounts payable pursuant to Section 6 of the Agreement in connection with an early termination of this Transaction, notwithstanding any other provision of the Agreement, the amounts payable shall be calculated without taking into account any related early redemption of the Notes and without taking into account any sale by or on behalf of Party B of any Collateral in connection with such early redemption.

## 3 Party B Fixed Amounts

Fixed Rate Payer: Party B  
Fixed Rate Payer Fixed Amount: On each Fixed Rate Payer Payment Date, Party B will, in respect of the aggregate principal amount of Collateral held by Party B on such date, pay the amount of interest received on the related Collateral Payment Date.  
Fixed Rate Payer Payment Dates: In respect of the Collateral, each Collateral Payment Date from and including the Collateral Payment Date immediately following the Effective Date to and including the Termination Date.

## 4 Final Exchange

Party A Final Exchange Date: The Maturity Date of the Notes.  
Party A Final Exchange Amount: An amount in MXN equal to the aggregate amount payable by the Issuer in respect of the redemption of the Notes pursuant to the Conditions of the Notes.  
Party B Final Exchange Date: The date upon which the Collateral is repaid or prepaid (taking into consideration any applicable grace period under the terms of such Collateral) (the “**Collateral Maturity Date**”).

Party B Final Exchange Amount: An amount equal to the redemption proceeds or principal repayment, as applicable, due and payable to the Issuer on the Collateral Maturity Date.

## **5 Additional Amounts Payable**

- (i) Where the Interest Payment Date for the Notes has been deferred pursuant to paragraph 19 of the Series Prospectus, then on the Deferred Interest Payment Date, Party A shall pay to Party B an amount in the Notes Currency equal to the aggregate interest amount accrued on, and payable in respect of, the relevant aggregate Deferred Interest Amount in accordance with the Conditions.
- (ii) Where the Maturity Date for the Notes has been deferred so that it falls after the Scheduled Maturity Date pursuant to paragraph 40(i) and paragraph 41(i)(b) of the Series Prospectus, Party A shall pay to Party B on the Deferred Maturity Date an amount in the Notes Currency equal to the Overnight Interest Amount multiplied by the Number of Notes.
- (iii) Where the Early Redemption Date of the Notes has been deferred so it falls after the date which would have been the Early Redemption Date had the Physical Settlement Date or the last day of the relevant Notice Delivery Period, as the case may be, occurred on or prior to such date, Party A shall pay to Party B on the date which is two Business Days after the Physical Settlement Date or the last day of the relevant Notice Delivery Period, as the case may be, an amount equal to the Overnight Interest Amount multiplied by the Number of Notes.

## **6 Other Provisions**

- (a) Notwithstanding Part 1, paragraph 12 (*Termination Currency*) of the Schedule to the Agreement, the Termination Currency for this Transaction shall be Mexican Pesos.
- (b) Part 5, paragraph 7 (*No Gross Up*) of the Schedule shall be amended (i) by the deletion of the words “Neither Party A nor Party B will” and the insertion in their place of the words “Party B will not”, (ii) by the insertion of the words “payments made by Party B under” before the words “the Transaction” at the end of the sentence and (iii) by the addition of the following new sentence at the end of the paragraph “Section 2(d)(ii) shall not apply to Party B in respect of payments made by Party A”.
- (c) Part 5, paragraph 8.1 (*Tax Event*) of the Schedule shall be deleted in its entirety for the purposes of the Transaction and replaced by the following:

“Due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y) a Change in Tax Law, a party (which will be the Affected Party) would (but for the provisions of Part 5(7) of the Schedule) or there is a substantial likelihood that a party would (but for the provisions of Part 5(7) of the Schedule), on the next succeeding Scheduled Payment Date (1) (but for the provisions of Part 5(7) of the Schedule) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) and no additional amount

is required to be paid in respect of such Tax under Section 2(d)(l)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));”

- (d) Part 1, paragraph 13 (*Additional Termination Event*) of the Schedule shall be deleted in its entirety and shall be replaced with the following new paragraph for the purposes of this Transaction only:

**“13. Additional Termination Event:**

- (i) If any Notes become due and repayable in whole in accordance with the Conditions at any time prior to their maturity (an “**Early Redemption Event**”), such Early Redemption Event shall constitute an Additional Termination Event in respect of the Transaction for which Party B shall be the sole Affected Party.

For the avoidance of doubt, if an event or circumstance which would otherwise constitute or give rise to an Additional Termination Event above, would also constitute or give rise to any other Termination Event or Event of Default, it will be treated as only giving rise to such other Termination Event or Event of Default.

- (e) Notwithstanding Part 1, paragraph 8 (*Merger Without Assumption*) of the Schedule, the “Merger Without Assumption” provision (Section 5(a)(viii)) will apply to Party A but shall not apply to Party B.
- (f) Section 5(a)(vii)(2) of the Agreement shall be amended by the deletion of the words, “becomes insolvent or”.
- (g) Section 5(a)(vii)(6) of the Agreement shall be amended by the deletion of the words, “seeks or”, “trustee” and “custodian”.
- (h) References to secured party in Section 5(a)(vii)(7) of the Agreement shall not include the Trustee.
- (i) Section 6(e) of the Agreement shall not apply in respect of an Additional Termination Event in connection with redemption of the Notes where the Conditions to Settlement are satisfied.

## **7 Third Party Rights**

No person shall have any right to enforce any provision of this Transaction under the Contracts (Rights of Third Parties) Act 1999.

## **8 Account Details**

Account details of Party A: JP Morgan Chase, New York  
ABA#: 021-000-021  
Swift: CHASUS33  
A/c of: Citigroup Global Markets Limited  
SWIFT: SBILGB2L  
Account no.: 9301035789

Account details of Party B: Banco Nacional De Mexico, Mexico  
A/c of: Citibank, N.A., London Branch  
SWIFT: BNMXXMM  
Account Number: 54674015

## 9 Relationship Between Parties

Each party represents to the other party that:

- (a) **Non-Reliance.** It is acting for its own account and it is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction. It has not received from the other party any assurance or guarantee as to the expected results of this Transaction;
- (b) **Acceptance.** It accepts the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the financial and other risks of this Transaction;
- (c) **Status of Parties.** The other party is not acting as a fiduciary or an advisor for it in respect of this Transaction; and
- (d) **Risk Management.** It has entered into this Transaction for the purpose of (i) managing its borrowings or investments, (ii) hedging its underlying assets or liabilities or (iii) in connection with its line of business.

For the purposes of the Transaction, the guarantee dated 13 June 2006 of Citigroup Inc. (the “**Swap Guarantor**”) guaranteeing the obligations of Party A hereunder, shall constitute a Credit Support Document and the Swap Guarantor shall constitute a Credit Support Provider. Party A agrees to promptly notify Party B in writing, copied to Fitch, in the event that the guarantee is revoked for any reason.

This Confirmation shall be governed by and construed in accordance with English law.

This Transaction has been arranged by Citigroup Global Markets Limited which is authorised and regulated by the Financial Services Authority. Unless specified herein, information about the time of dealing and the amount or basis of any charges shared with any third party in connection with this Transaction will be made available on request.

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us by facsimile.

Yours faithfully,

**CITIGROUP GLOBAL MARKETS LIMITED**

By:

Name:

Title:

Confirmed on the date first above written:

**CLOVERIE PLC**

By:

Name:

Title:

## GENERAL INFORMATION

1. From the date of this Series Prospectus and for so long as the Notes remain outstanding, the following documents will be available for inspection in physical format during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the office of the Issuing and Paying Agent, at the office of the Irish Paying Agent and at the office of the Issuer. Copies of the documents referred to below may be obtained free of charge from the specified office of the Irish Paying Agent:
  - (a) this Series Prospectus;
  - (b) the Supplemental Trust Deed in relation to the Notes;
  - (c) the Collateral Prospectus; and
  - (d) audited financial statements of the Issuer for the financial year ended 31 December 2005 and 31 December 2006.
2. The issue of the Notes was authorised by resolutions of the Board of Directors of the Issuer passed on or about 5 February 2008.
3. The Issuer does not intend to provide any post issuance transactional information on either the Notes (as described in the Terms and Conditions above) or the Collateral (as described in Annex 3 above).
4. Save as described herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2006 (such date being the date of the Issuer's last audited financial statements) which is material or significant in the context of the issue of the Notes.
5. The Issuer has not been involved in any litigation, arbitration or governmental proceedings (including such proceedings which are pending or threatened or of which the Issuer is aware during the 12 months preceding the date of the Series Prospectus) which may have or have had in the recent past, significant effects, in the context of the issue of Notes, on the financial position or profitability of the Issuer.
6. Arthur Cox Listing Services Limited has been appointed by the Issuer to act as its Irish listing agent and as such is not seeking admission to listing of the Notes on the Irish Stock Exchange for the purposes of the Prospectus Directive on its own behalf, but as an agent on behalf of the Issuer.
7. Details of the Reference Entity are set out below:

Reference Entity:	United Mexican States
Registered Address of the Reference Entity:	Secretaría de Hacienda y Crédito Público Palacio Nacional Patio Central, 3er piso Oficina 3010 Colonia Centro México, D.F. 06000
Country of Incorporation:	United Mexican States
Nature of Business:	The United Mexican States is located in Middle

America, borders the Caribbean Sea and the Gulf of Mexico, between Belize and the United States and bordering the North Pacific Ocean, between Guatemala and the United States. United Mexican States' natural resources consist of petroleum, silver, copper, gold, lead, zinc, natural gas and timber.

Listing:

Euro MTF market of the Luxembourg Stock Exchange

The Reference Entity has issued debt securities which are listed on the Frankfurt Stock Exchange.

**REGISTERED OFFICE OF THE ISSUER**

1 North Wall Quay  
International Financial Services Centre  
Dublin 1  
Ireland

**TRUSTEE**

**Citicorp Trustee Company Limited**

Citigroup Centre  
14th Floor  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**CALCULATION AGENT, ISSUING AND PAYING AGENT AND CUSTODIAN**

**Citibank, N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**IRISH PAYING AGENT**

**Citigroup International plc**

1 North Wall Quay  
Dublin 1  
Ireland

**DISPOSAL AGENT**

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**DEALER AND DETERMINATION AGENT**

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**IRISH LISTING AGENT**

**Arthur Cox Listing Services Limited**

Earlsfort Centre  
Earlsfort Terrace  
Dublin 2  
Ireland

**LEGAL ADVISERS**

*to the Issuer  
as to Irish law*

**A&L Goodbody**

International Financial Services Centre  
North Wall Quay  
Dublin 1  
Ireland

*to the Dealer and the Trustee  
as to English law*

**Linklaters LLP**

One Silk Street  
London  
EC2Y 8HQ  
United Kingdom