

Final Terms dated February 2, 2007



MERRILL LYNCH & CO., INC.

(Incorporated under the laws of the State of Delaware, U.S.A.)

**MXN1,000,000,000 Fixed Rate/UDI Index-Linked Coupon and Redemption Notes
due February 2, 2022
under the U.S.\$60,000,000,000 Euro-Medium Term Note Program**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated May 10, 2006 and the supplementary prospectuses dated July 24, 2006, August 9, 2006, October 20, 2006 and November 9, 2006 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Company and the offer of the Notes is only available on the basis of the combination of the Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and the supplemental prospectuses are available for viewing during normal office hours at the office of the Agent in London and copies may be obtained from the principal office of the Company.

- | | | |
|----|--|--|
| 1. | Issuer: | Merrill Lynch & Co., Inc. (the “ Company ”) |
| 2. | Series Number: | 4287 |
| 3. | Specified Currency or Currencies (in the case of Dual Currency Notes): | Mexican Pesos, the lawful currency (including any successor currency) of the United Mexican States (“ MXN ”) |
| 4. | Aggregate Principal Amount: | MXN 1,000,000,000 (Equivalent to UDI 262,396,462 (the “ UDI Notional Amount ”) based upon the Initial UDI Index Level of MXN 3.811027 = UDI 1.00) |
| 5. | Issue Price: | 100 per cent. of the Aggregate Principal Amount |
| 6. | Specified Denominations: | MXN 1,000,000 |
| 7. | (i) Issue Date: | February 2, 2007 |
| | (ii) Interest Commencement Date: | February 2, 2007 |
| 8. | Maturity Date: | February 2, 2022 |
| 9. | Interest Basis: | Fixed Rate and Index-Linked (further particulars as specified in Items 15 and 18 herein and paragraph 2.2 of Appendix 1 (<i>Special Conditions</i>) hereto). |

10. Redemption/Payment Basis: Index Linked Redemption (as further described in Item 24 and paragraph 2.1 of Appendix 1 (*Special Conditions*) hereto)
11. Change of Interest or Redemption/Payment Basis: Not applicable
12. Put/Call Options: Not applicable
13. Status of the Notes: The Notes will constitute direct, unsecured, unsubordinated and general obligations of the Company and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Company
14. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions: Applicable, as set forth herein and as further specified below and in Item 18 (*Indexed Note Provisions*).

- (i) Fixed Rate(s) of Interest: 4.01 per cent. per annum of the UDI Notional Amount, converted into MXN at the UDI Index Level applicable to each Fixed Interest Date. The UDI Index Level applicable to each Fixed Interest Date will be determined by the Calculation Agent on the Index Determination Date (as defined in Appendix 1 (*Special Conditions*)) immediately preceding such Fixed Interest Date. The nominal UDI coupon amount will be a fixed amount (the “**UDI Coupon Amount**”) for each Fixed Interest Date as set forth under item 15(ii) hereof. See paragraph 2.2 of Appendix A (*Special Conditions*) hereto for further information.

(ii) Fixed Interest Dates and UDI Coupon Amounts:	<u>Date</u>	<u>UDI Coupon Amount</u>
	August 2, 2007	5,261,049
	February 5, 2008	5,348,733
	August 4, 2008	5,231,821
	February 3, 2009	5,231,821
	August 3, 2009	5,261,049
	February 2, 2010	5,231,821
	August 2, 2010	5,261,049
	February 2, 2011	5,261,049
	August 2, 2011	5,261,049
	February 2, 2012	5,261,049
	August 2, 2012	5,261,049
	February 5, 2013	5,348,733
	August 2, 2013	5,173,365
	February 4, 2014	5,319,505
	August 4, 2014	5,261,049
	February 3, 2015	5,231,821
	August 3, 2015	5,261,049
	February 2, 2016	5,231,821
	August 2, 2016	5,261,049
	February 2, 2017	5,261,049
	August 2, 2017	5,261,049
	February 2, 2018	5,261,049
	August 2, 2018	5,261,049
	February 5, 2019	5,348,733

	August 2, 2019	5,173,365
	February 4, 2020	5,319,505
	August 3, 2020	5,231,821
	February 2, 2021	5,231,821
	August 2, 2021	5,261,049
	February 2, 2022	5,261,049
(iii)	Fixed Coupon Amount(s):	As set forth above in Items 15(i) and 15(ii) above.
(iv)	Initial/Final Broken Amount(s):	Not Applicable
(v)	Fixed Day Count Fraction:	30/360
(vi)	Determination Date(s):	The Index Determination Date applicable to each Fixed Interest Date will be the date falling two Business Days prior to each Fixed Interest Date, subject to adjustment as specified in Appendix 1 (<i>Special Conditions</i>) hereto.
(vii)	Other items relating to the method of calculating interest for Fixed Rate Notes:	For purposes of payments of interest and principal, the Following Business Day Convention shall apply.
(viii)	Additional Business Centre(s)/Interest Payment Dates:	As specified in the definition of "Business Days" included in Appendix 1 (<i>Special Conditions</i>) hereto.
16.	Floating Rate Note Provisions:	Not applicable
17.	Zero Coupon Note Provisions:	Not applicable
18.	Indexed Note Provisions:	The coupon amount will be determined based upon adjusting the UDI Coupon Amount by the UDI Index Level applicable to each Fixed Interest Date as determined on the Index Determination Date immediately preceding each Fixed Interest Date as set forth under Item 15(i) and (ii) above and as further specified in Appendix 1 (<i>Special Conditions</i>) hereto.
19.	Dual Currency Note provisions:	Not applicable
20.	Credit-linked Note provisions:	Not applicable
21.	Equity-linked Note provisions:	Not applicable
PROVISIONS RELATING TO REDEMPTION		
22.	Company's Optional Redemption:	Not applicable
23.	Redemption at the option of the Noteholders:	Not applicable
24.	Final Redemption Amount:	The Final Redemption Amount for each Note of a Specified Denomination will be determined by the Calculation Agent in accordance with the provisions of paragraph 2.1 of Appendix 1 (<i>Special Conditions</i>) hereto.
25.	Early Redemption Amount(s)	Condition 4(f) shall not apply. If the Notes are

of each Note payable on redemption for taxation reasons or upon the other circumstances described in Condition 8 or upon acceleration of the Notes pursuant to Condition 12 and/or the method of calculating the same (if required or if different from that set out in Condition 4(f)):

redeemed:

- (a) for taxation reasons (pursuant to Condition 4(b) or Condition 8); or
- (b) as a result of the occurrence of a Regulatory Redemption Event (as defined in paragraph 2.4 of Appendix 1 (*Special Conditions*) hereto);
- (c) as a result of the occurrence of an illegality event (as set out in paragraph 2.5 of Appendix 1 (*Special Conditions*) hereto); or
- (d) following an acceleration of the Notes (pursuant to Condition 12),

the Early Redemption Amount payable in respect of each Note of a Specified Denomination will, in each case, equal the Calculation Agent's determination of the market value of each Note taking into account factors including but not limited to: interest rates, index levels, implied volatilities in the option markets and exchange rates, *less* the Associated Costs (as defined below).

"Associated Costs" means an amount per Note of a Specified Denomination equal to the *pro rata* share (on the basis of the principal amount of the Note and the aggregate principal amount of all Notes which have not been redeemed or cancelled as at the Early Redemption Date) of the total amount of any and all costs associated or incurred by the Company or any company affiliated with it in connection with such early redemption, including, without limitation, any costs associated with unwinding any costs associated with unwinding any hedge positions relating to the Notes, all as determined by the Calculation Agent in its sole discretion.

26. Cash Settlement Amount: Not applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes:

- (i) Bearer Notes: The Notes will be Bearer Notes and will initially be represented by a temporary global Note in bearer form, without interest coupons attached, which will be deposited with a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") on or about the Issue Date. Interests in the temporary global Note will be exchangeable for interests in a permanent global Note, without interest coupons attached, on a date (the "Exchange Date") not earlier than 40 days after the closing date upon appropriate certification as to non-U.S. beneficial ownership. The permanent global Note will be exchangeable in whole, but not in part, for definitive Notes in bearer form in denominations of MXN1,000,000 each without interest coupons attached

- upon 60 days' written notice expiring at least 30 days after the Exchange Date. Interests in the permanent global Note will not be exchangeable for Notes in registered form.
- (ii) Registered Notes: Not applicable
- (iii) Registered Short-term Notes: Not applicable
28. New Global Note: Not applicable
29. Additional Financial Centre(s) or other special provisions relating to Payment Business Day: Condition 5(c)(i) applies - Mexico City, New York and London
30. Talons for future Coupons or Receipts to be attached to definitive Notes in bearer form (and dates on which such Talons mature): Yes. As per the Conditions.
31. Details relating to Partly Paid Notes amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Company to forfeit the Notes and interest due on late payment: Not applicable
32. Details relating to Installment Notes:
- (i) Installment Amount(s): Not applicable
- (ii) Installment Date(s): Not applicable
33. Redenomination, renominatisation and reconventioning provisions: Not applicable
34. Other terms or specified conditions:
- (a) Applicable. See Appendix 1 (*Special Conditions*), Appendix 2 (*Information Regarding the UDI*), and Appendix 3 (*Additional Risk Factors Relating to the Notes*) hereto, each of which Appendices shall be deemed to constitute a part of these Final Terms.
- (b) "**Calculation Agent**" means Merrill Lynch Capital Services, Inc. of 4 World Financial Center, New York, New York 10080, United States of America.
- The Calculation Agent shall act as an independent expert and not as an agent for the Company or the Noteholders.
- All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Calculation

Agent shall, in the absence of manifest error, willful default or bad faith, be final and conclusive and binding on the Company, the Calculation Agent, the Paying Agents and all Noteholders.

In the absence of the aforesaid manifest error, willful default or bad faith, no liability to the Noteholders, the Company, or the Paying Agents shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and or discretions pursuant to the Conditions in relation to such determinations.

35. Further Issues provision: Condition 16 applies. If the Company issues further Notes of the same Series during the initial 40-day restricted period applicable to the outstanding Notes of such Series, then such 40-day period will be extended until 40 days after the later of the commencement of the offering and the Issue Date of such further issue of Notes. In addition, if the Company issues further Notes of the same Series after the expiration of the 40-day restricted period, a new 40-day restricted period will be applied to such further issue of Notes without applying to the outstanding Notes. After the expiration of the new 40-day restricted period, all such Notes will be consolidated with and form a single Series with the outstanding Notes.
36. Details relating to Notes that are payable and/or for which the obligations of the Company may be discharged by the delivery of securities and/or other property or any combination of cash, securities and/or other property: Not applicable

DISTRIBUTION

37. (i) If syndicated, names of Managers: Not applicable
- (ii) Stabilizing Manager (if any): Not applicable
38. Name and address of Relevant Dealer: Merrill Lynch International of Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ, United Kingdom
39. Additional selling restrictions: **Mexico:**
THE INFORMATION CONTAINED IN THESE FINAL TERMS IS THE EXCLUSIVE RESPONSIBILITY OF THE COMPANY (OTHER THAN THE INFORMATION RELATING TO THE COMPANY'S RATINGS AS PUBLISHED BY FITCH, MOODY'S AND S&P) AND HAS NOT BEEN REVIEWED BY THE NATIONAL

BANKING AND SECURITIES COMMISSION OF MEXICO (COMISIÓN NACIONAL BANCARIA Y DE VALORES).

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. ANY INVESTOR OF MEXICAN NATIONALITY THAT PURCHASES THESE NOTES, WILL DO SO UNDER ITS OWN RESPONSIBILITY. INTER-MEDIATION OF THE NOTES IN MEXICO IS SUBJECT TO THE RESTRICTIONS OF THE MEXICAN SECURITIES MARKET LAW.


LISTING AND ADMISSION TO TRADING APPLICATION


These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Company's U.S.\$60,000,000,000 Euro-Medium Term Note Program.


RESPONSIBILITY

The Company accepts responsibility for the information contained in these Final Terms. The Company confirms that any information that has been reproduced from external sources has been accurately reproduced and that, so far as it is aware, and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Company:

By: 
 Name: _____
 Title: _____

 **Merrill Lynch & Co., Inc.**
 John Thorburn
 Authorized Signatory

 **Merrill Lynch & Co., Inc.**
 John Thorburn
 Authorized Signatory

PART B – OTHER INFORMATION

1. **LISTINGS:**

(i) Listing:

The Notes will be listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market.

Application will also be made to list the Notes in the Bolsa Mexicana de Valores, under the Sistema Internacional de Cotizaciones (SIC).

(ii) Admission to trading:

Application has been made for the Notes to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market.

2. **RATINGS**

Ratings:

The Program under which the Notes have been issued has been rated:

Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies Inc.: AA- / A-1+

An obligation rated "AA" differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong. The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. A short-term obligation rated "A-1" is rated in the highest category by S&P. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

Moody's Investors Service, Inc.: Aa3

Obligations rated "Aa" are judged to be of high quality and are subject to very low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-

range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

***Fitch Ratings:* AA-**

“AA” ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. “+” or “-” denotes relative status within major rating categories.

The information regarding ratings above has been extracted from the websites of Fitch, Moody’s and S&P, as applicable. The Company confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Fitch, Moody’s and S&P, no facts have been omitted which would render the reproduced inaccurate or misleading.

However, this series of Notes is unrated.

3. **NOTIFICATION**

Not applicable

4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER**

Save as discussed in the section entitled “*Subscription and Sale*” in the Base Prospectus and as discussed in Appendix 3 (*Additional Risk Factors Relating to the Notes*), so far as the Company is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

Reasons for the offer:	Please refer to the section headed “Use of Proceeds” in the Base Prospectus.
Estimated net proceeds:	MXN 1,000,000,000
Estimated total expenses:	Not applicable

6. **YIELD**

Not applicable

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Certain information in respect of the UDI (to which the Coupon Amounts and the Final Redemption Amount are linked) are set out in Appendix 2 (*Information Regarding the UDI*).

8. **PERFORMANCE OF RATES OF EXCHANGE**

See item 7 above. In addition, under certain circumstances the Company will be entitled to pay U.S. Dollars in lieu of paying Mexican Pesos as further described in paragraphs 2.6 and 2.7 of Appendix 1 (*Special Conditions*).

9. **OPERATIONAL INFORMATION**

ISIN Code:	XS0285493770
Common Code:	028549377
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme and the relevant identification number(s):	Indeval (<i>S.D. Indeval, S.A. de C.V., Institucion para el Deposito de Valores Mexico</i>)
Delivery:	Delivery against payment
Governing Law:	New York
Intended to be held in a manner which would allow Eurosystem eligibility:	No
Names and addresses of additional Paying Agent(s) if any:	Not applicable
Additional investment considerations:	Applicable. See Appendix 3 (<i>Additional Risk Factors Relating to the Notes</i>) hereto

APPENDIX 1
SPECIAL CONDITIONS

1. DEFINITIONS

For the purposes of the Final Terms (including this Appendix 1 (*Special Conditions*), Appendix 2 (*Information Regarding the UDI*) and Appendix 3 (*Additional Risk Factors Relating to the Notes*), the following terms will have the following meanings:

“**Alternative Payment Amount**” has the meaning provided in paragraph 2.6 of this Appendix 1 (*Special Conditions*);

“**Business Day**” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets settle payments and are open for business (including dealing in foreign exchange and foreign currency deposits) in London, New York and Mexico City;

“**Central Bank of Mexico**” means the *Banco de Mexico*;

“**Disrupted Day**” means a day on which an Index Disruption Event occurs or exists;

“**Domestic Event**” means if Mexico, or any of its agencies, instrumentalities or entities (including, without limitation, the Central Bank of Mexico) by means of any law, regulation, ruling, directive or interpretation, whether or not having the force of law, takes any action which legally or de facto prevents or has the effects of restricting or limiting the calculation or announcement of the UDI Index or any of the values used to determine the UDI Index;

“**Final Redemption Amount**” means the amount per specified denomination of the Notes payable on the Maturity Date determined as provided in paragraph 2.1 of this Appendix 1 (*Special Conditions*);

“**Final UDI Index Level**” means, for purposes of determining the Final Redemption Amount, the UDI Index Level for settlement on the Maturity Date as determined on the Final Valuation Date;

“**Final Valuation Date**” means the date on which the Calculation Agent will determine the Final UDI Index Level in order to determine the Final Redemption Amount pursuant to paragraph 2.1 of this Appendix 1 (*Special Conditions*) for settlement on the Maturity Date. The Final Valuation Date is scheduled to occur on January 10, 2022 (the “**Scheduled Final Valuation Date**”) based upon the existing procedures used by the Central Bank of Mexico to announce the UDI Index. In the event that the Scheduled Final Valuation Date is not a Business Day or is a Disrupted Day, then the Final Valuation Date shall be the next succeeding Business Day that is not a Disrupted Day; provided that (i) there are at least two Business Days between the Final Valuation Date and the Maturity Date and (ii) if there are not at least two Business Days between the Final Valuation Date and the Maturity Date, the Maturity Date shall be postponed until the second Business Day after the Final Valuation Date, subject to a maximum postponement of thirty (30) calendar days from the scheduled Final Valuation Date (the “**Deferral Period**”). In the event the Deferral Period has been reached, the next London and New York business day following the Deferral Period shall be the Final Valuation Date and the date two London and New York business days after such Final Valuation Date shall be the Maturity Date of the Notes and the Final UDI Index Level, for the purpose of determining the Final Redemption Amount, shall be determined by the Calculation Agent taking into consideration all available information that in good faith it deems relevant. For the avoidance of doubt, the Final Redemption Amount payable on the Maturity Date shall not be affected and no additional amounts shall be payable if the Maturity Date is adjusted in accordance herewith;

“**Fixed Interest Dates**” means each date specified in Item 15(ii) of these Final Terms.

“Index Determination Dates” means, for purposes of determining the UDI Index Level applicable to each Fixed Payment Date, the date falling two Business Days immediately prior to each Fixed Payment Date;

“Index Disruption Event” means the occurrence on any Business Day of an Index Publication Failure or a Domestic Event, in each case as determined in the sole and absolute discretion of the Calculation Agent acting in good faith and in a commercially reasonable manner, resulting in the Calculation Agent being unable to determine the UDI Index Level necessary to determine (i) the coupon amount payable as of any Fixed Interest Date or (ii) the Final Redemption Amount due under the Notes;

“Index Publication Failure” means the UDI Index is not calculated and/or timely announced by the Central Bank of Mexico;

“Initial UDI Index Level” means MXN 3.811027;

“MXN Convertibility Event” has the meaning provided in paragraph 2.7 of this Appendix 1 (*Special Conditions*);

“MXN Currency Event” has the meaning provided in paragraph 2.6 of this Appendix 1 (*Special Conditions*);

“Regulatory Redemption Event” has the meaning set forth in paragraph 2.4 of this Appendix 1 (*Special Conditions*);

“Required Payment” has the meaning provided in paragraph 2.6 of this Appendix 1 (*Special Conditions*);

“UDI Coupon Amount” means the nominal amount of each scheduled coupon payment expressed in UDI as set out in Item 15(ii) of these Final Terms;

“UDI Index Level” means the level of “Unidad de Inversión” (“UDI”), expressed as the number of MXN per one UDI, determined by the Central Bank of Mexico for the applicable Fixed Interest Date or the Maturity Date, as the case may be, as published in the “*Diario Oficial de la Federación*” and as further described in Appendix 2 (*Information Regarding the UDI*); provided that (i) if an Index Disruption Event has occurred and is continuing on any Index Determination Date, then the UDI Index Level for the applicable Fixed Interest Date shall be determined by the Calculation Agent based on such market and other information as the Calculation Agent deems necessary and relevant in its sole discretion and (ii) if the Scheduled Final Valuation Date is not a Business Day or is a Disrupted Day, then the provisions set forth under the definition of “Final Valuation Date” herein shall apply to the determination of the UDI Index Level.

“UDI Performance” means a figure equal to the Final UDI Index divided by the Initial UDI Index;

2. SPECIAL CONDITIONS

2.1 Final Redemption Amount

Unless previously redeemed or purchased and cancelled as specified in these Final Terms and subject as provided herein, the Final Redemption Amount payable on the Maturity Date will be an amount in MXN per Specified Denomination calculated and determined by the Calculation Agent, in accordance with the following formula:

$$\text{Specified Denomination} * \text{UDI Performance}$$

2.2 Coupon Amounts

On each Fixed Interest Date, the Calculation Agent will pay an amount in MXN per Specified Denomination equal to the UDI Coupon Amount specified for such Fixed Interest Date in Item 15(ii) of these Final Terms multiplied by the UDI Index Level as of the applicable Index Determination Date.

2.3 Rate Corrections; Successor Rates; Rate Adjustments

- (a) *Rate Corrections.* In the event that the UDI Index as published by the Central Bank of Mexico which is used for any calculation or determination in respect of the Notes is subsequently corrected and the correction published by the Central Bank of Mexico no later than the Maturity Date, the Calculation Agent may, but is not obliged to, make adjustments to the Final Redemption Amount that it determines necessary to account for such correction. No interest or other amount shall be payable in respect of any delay in the payment date caused by such adjustments;
- (b) *Successor Rates.* If the UDI Index is (i) not calculated and announced by the Central Bank of Mexico but is calculated and announced by a successor source acceptable to the Calculation Agent, or (ii) replaced by a successor rate using, in the determination of the Calculation Agent, the same or substantially similar formula for the method of calculation as used in the calculation of the UDI Index, then the relevant rate will be deemed to be the rate so calculated and announced by that successor or that successor rate, as the case may be;
- (c) *No Successor Rates.* In the event that the Calculation Agent, in its absolute discretion, determines that the UDI Index is no longer published and has not been replaced by a successor unit of value, then the Calculation Agent shall determine the new rate, or a rate calculated using the same or substantially similar formula or method for calculation as used in the calculation of the previously applicable rate, in its sole and absolute discretion, taking into consideration all available information that in good faith it deems relevant;
- (d) *Rate Adjustments.* In the event that the Central Bank of Mexico in any way materially modifies or restates the UDI Index, the Calculation Agent shall make any corresponding adjustments to the computation of the UDI Index as it shall determine to be necessary in its sole and absolute discretion, taking into account all available information that in good faith it deems relevant.

2.4 Redemption for Regulatory Reasons

The Company may, at any time, on not less than ten (10) clear Business Days irrevocable notice to the Noteholders in accordance with Condition 15 (*Notices*), redeem all but not some only, of the Notes in the event that a change in applicable law or regulation occurs that results, or will result, solely by reason of the Notes being outstanding, in the Company being required to be regulated by any additional jurisdiction or regulatory authority, or being subject to any additional legal requirement or regulation considered by the Company to be materially onerous to it (each such change, a "**Regulatory Redemption Event**"). In the event of the Company delivering any such notice, the Company will redeem the Notes at the Early Redemption Amount as specified in Item 25 of these Final Terms on the date specified in such notice, being a date falling not more than sixty (60) days after the date that such notice is given.

2.5 Illegality

In the event that the Calculation Agent determines that the performance of the Company's obligations under the Notes or that any arrangements made to hedge the Company's position

under the Notes has or will become unlawful, illegal, or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Company may, having given not more than 30 nor less than 5 days' notice to Noteholders in accordance with Condition 15 (which notice shall be irrevocable), redeem all, but not some only, of the Notes, each MXN 1,000,000 in nominal amount of the Notes being redeemed at the Early Redemption Amount.

2.6 Alternative Payment Amount upon MXN Currency Event

If, at the time any payment of interest, principal, premium and/or additional or other amounts, if any, in respect of the Notes is due (each a “**Required Payment**”), the Specified Currency is no longer (i) used by the government of Mexico for the payment of public and private debts or (ii) used for settlement of transactions by public institutions in Mexico or within the international banking community, or (iii) expected to be available, when any Required Payment is due as a result of circumstances beyond the control of the Company (each of the foregoing, an “**MXN Currency Event**”), the Company shall be entitled to satisfy its obligations in respect of such Required Payment by making such Required Payment in U.S. Dollars (the “**Alternative Payment Amount**”), on the basis of the USD/MXN bid-spot foreign exchange rate (expressed as the number of U.S. Dollars (or part thereof) as at 12.30 p.m. (New York time) on the second Business Day prior to the relevant date of payment, for which one Mexican Peso could be purchased as quoted on Reuters screen <MXN=D2> (or its successor page for the purpose of displaying such rates) or, if such rate is not available on such second Business Day, on the basis of the rate most recently available prior to such second Business Day. Any payment made under such circumstances in U.S. Dollars, will constitute valid payment, and will not constitute a default in respect of this Note. The Company's communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Company hereunder shall be at its sole discretion and shall (in the absence of manifest error, wilful default or bad faith) be conclusive for all purposes and binding on the Company, the Paying Agents, and the holders of the Notes. By acceptance thereof, purchasers of the Notes will be deemed to have acknowledged and agreed and to have waived any and all actual or potential conflicts of interest that may arise as a result of the calculation of the Alternative Payment Amount by the Company.

2.7 Alternative Payment upon Occurrence of MXN Convertibility Event

In the event that, at any time, the government of Mexico by means of any law, regulation or decree, takes any action (together, a “**Governmental Action**”) which is in effect or has effect on any relevant payment date, as the case may be, which legally or *de facto* prevents or has the effect or restricting or limiting: (i) the general availability of MXN in Mexico, (ii) the general availability of MXN in any foreign exchange market or the availability of MXN on commercially reasonable terms, (iii) the exchange of U.S. dollars for MXN, or (iv) the transfer or receipt of MXN inside or outside of Mexico (any such occurrence in clauses (i), (ii), (iii) and (iv) constituting an “**MXN Convertibility Event**”), then the Company, at its option, may deliver to or to the order of the Noteholders (to the extent and in the manner permitted by applicable law) (a) in Mexico the amount due in MXN, or (b) outside Mexico a U.S. dollar amount to accounts designated by the Noteholders, or established by the Company for the benefit of Noteholders, calculated based on the MXN amount that was due, converted to U.S. dollars based on the exchange rate on the date of determination, as determined in the sole discretion of the Calculation Agent acting in good faith and in a commercially reasonable manner and, in either case, the Company's obligations shall be deemed fully satisfied and discharged upon transfer of the necessary amounts in the relevant currency. By acceptance of the Notes, purchasers of the Notes will be deemed to have acknowledged and agreed and to have waived any and all actual or potential conflicts of interest that may arise as a result of the

determinations and payment arrangements made by the Company or the Calculation Agent in connection with an MXN Convertibility Event.

APPENDIX 2

INFORMATION REGARDING THE UDI

The following information is a description of the UDI (as defined below) and certain historical information. The information contained in this appendix relating to the UDI consists of extracts from, or summaries of, information published in the Diario Oficial de la Federación and other public sources. The Company confirms that such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from publicly available information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Neither the Company nor the Dealer accepts any further responsibility in respect of such information.

1. General Description

The Unidad de Inversión (“UDI”) is a unit of account with constant real value and its daily value reflects movements in the National Consumer Prices Index (“NCPI”), with a short lag and without the speculation of interest rates. Subsequently, the UDI remains practically constant in real terms and is protected from erosion caused by inflation. The UDI Index is quoted as an index, expressed as the number of MXN per one UDI (the “UDI Index”), as determined by the Central Bank of Mexico (*Banco de México*). The UDI Index is published for each day in the Daily Official Gazette of the Federation (“*Diario Oficial de la Federación*”) (<http://www.gobernacion.gob.mx/dof/pop.php>) by the Central Bank of Mexico.

The NCPI measures monthly changes in the general level of prices of goods and services that households acquire for consumption. Prices recorded are cash transaction prices on the day of the survey. They include indirect taxes and special sales prices are also recorded. Price changes for owner-occupied housing units are imputed using the equivalent rent method.

The rate for a given day may be obtained from the Central Bank of Mexico’s website: <http://www.banxico.org.mx/siteBanxicoINGLES/eInfoFinanciera/FSinfoFinanciera.html>

The rate for the UDI Index for the 11th through the 25th day of a specified month is published by the Central Bank of Mexico not later than the 10th day of such month. No later than the 25th day of each month, the Central Bank of Mexico published the rate for the UDI for the days commencing on the 26th day of such month to the 10th day of the immediately succeeding month.

The percentage variation of the UDI Index from the 10th to the 25th day of each month will be equal to the variation of the NCPI of the second bi-weekly of the prior month. The UDI variation from the 25th through to the 10th day of the next month will be equal to the NCPI variation during the first biweekly of the referred month.

To determine the UDI variation for the other days for the published periods, the biweekly variation of the NCPI prior to each period will be distributed amongst the total days in each period, therefore the UDI variation in each of these days will be uniform.

2. Historical Data

The UDI Index rate (expressed as the number of MXN (or part thereof) for which one UDI is determined by the Central Bank of Mexico.