

## 10 Years Peso Notes Switchable after 2 Years

### *Euro Medium Term Note Program*

*Financial transactions involve risks of variation in interest rates, exchange rates, securities, commodities or indices. In view of these risks you should have the requisite knowledge and experience to assess the characteristics and risks associated with each contemplated financial transaction. Accordingly, when you enter into the contemplated financial transaction, you will be deemed to understand and accept the terms, conditions and risks associated with it. You will be deemed, to act for your own account, to have made your own independent decision to enter into that financial transaction and to declare that such transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. You should undertake a detailed analysis of all financial, legal, regulatory, accounting and tax issues raised by this transaction, so as to evaluate the merits and suitability of this transaction and should not rely on CALYON for such analysis.*

*Isin Code: XS0272631945*

#### [Final Terms and Conditions]

<b>Issuer</b>	:	<b>CALYON (AA-, Aa2, AA)</b>
<b>Type</b>	:	Euro Medium Term Note
		The provisions hereof are subject entirely to the terms and conditions set forth in the Final Terms dated on or about the Issue Date hereof and the Offering Circular dated 27 September 2006, in connection with the €30,000,000,000 Structured Euro Medium Term Note Programme among CALYON, Calyon Financial Products (Guernsey) Limited and Calyon Finance (Guernsey) Limited, as amended and supplemented from time to time
<b>Issue Amount</b>	:	MXN 800,000,000
<b>Denomination</b>	:	MXN 1,000,000
<b>Dealer</b>	:	CALYON, IXE Casa de Bolsa
<b>Trade Date</b>	:	October 26 <sup>th</sup> 2006
<b>Issue Date</b>	:	November 1 <sup>st</sup> 2006
<b>Maturity Date</b>	:	November 1 <sup>st</sup> 2016
<b>Issue Price</b>	:	100%
<b>Redemption Price</b>	:	100%
<b>Coupon</b>	:	<b>8.54%</b> , subject to Switch Provision.
<b>Switch Provision</b>	:	The Issuer has the right to switch the Coupon to <b>TIEE 28 Days + 30 bps</b> after 2 year and every 6 months thereafter, with a 5 business days prior notice. If the coupon is switched, the new coupon will be a weighted average of the 6 TIEE 28 days, each fixing being weighted by the number of days of each Calculation Period.  TIEE 28 days to be fixed one Business Day before the beginning of each Calculation Period.

<b>Calculation Period</b>	:	One calendar Month
<b>Coupon Frequency</b>	:	Semi-Annual
<b>Day Count Fraction</b>	:	Actual/360
<b>Business Day Convention</b>	:	Modified Following
<b>Business Centres</b>	:	For Fixing: Mexico City For Payment Mexico City
<b>Listing</b>	:	It is intended that application will be made for admission of the Notes to listing on the Official List of the London Stock Exchange, in compliance with European Directive 2003/71/EC and relevant implementing measures in United Kingdom. No assurance can be given as to whether or not, or when, such application will be granted.
<b>UK Listing &amp; Paying Agent</b>	:	Bank of New York
<b>Selling Restrictions</b>	:	Refers to the details in the Information Memorandum of the Programme.
<b>Liquidity</b>	:	This product is not a liquid instrument.  The investor should be prepared to hold this Note until maturity should it not be called, if such option exists, by the Issuer. CALYON will, however, endeavour to provide liquidity to the Note. The bid price will be based on the market value of the Note, determined by CALYON acting in good faith and may be below par. Such bid price will be dependent upon, among other things, interest rates, interest rate volatility, perceptions of issuer credit quality, time remaining to maturity, CALYON' hedging obligations and the costs and losses incurred in connection with discharging such obligations

## **IMPORTANT DISCLOSURES**

*This document has been prepared at your request by CALYON for information or discussion purposes only and shall not be construed as and does not form part of an offer, nor an invitation to offer, nor a solicitation or recommendation to enter into any transaction, nor is it an official or unofficial confirmation of terms. This document contains indicative terms only. The price and other terms of the transaction will be function of market prices prevailing at the time of the transaction and the demand for issuance of the Issuer\* at that time.*

*We are providing you with this document and we have negotiated this transaction with you on the basis of our understanding that (i) you have ensured that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in light of your own objectives and circumstances, including the possible risks and benefits of entering into such a transaction and its tax implications (and this document does not purport to identify any such benefits, risks or implications); (ii) you shall, at all times, be solely responsible for making your own independent appraisal of the Issuer, investigation into the business, financial condition, creditworthiness thereof; (iii) you have engaged your own financial, tax, accounting, legal and other advisors that you consider appropriate in connection with your investment decision; and (iv) you are not relying on CALYON or any member of the CALYON group for information, advice or recommendations of any sort, except information about the terms of the transaction.*

*CALYON or its affiliates may at times have an interest, relationship or arrangement that could be material and/or could give rise to a conflict of interest or potential conflict of interest. In such event, you consent to CALYON acting in any manner that it considers appropriate to ensure fair treatment of such conflicts for you. "Issuer" and CALYON" include any affiliate or agent thereof. The information contained herein is confidential and may not be reproduced, given or otherwise distributed to any third party except to your professional advisors.*

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