HR Ratings Assigns a Long-Term Rating of A- to Mexico's Sovereign Debt

- Mexico provides acceptable security to service its debt obligations while credit risk remains low.
- Rating is supported by positive credit metrics compared to other sovereigns.

Mexico City, November 13th, 2012 - HR Ratings de México, S.A. de C.V. ("HR Ratings") has assigned a long-term rating of HR A- (G) to the sovereign debt of Mexico, with a stable outlook. This includes all currency denominations, including the peso, UDIs and foreign currency. For short-term debt the assigned rating is HR2 (G).

The rating is based on Mexico's prudent fiscal policy, which has endured through at least three presidential administrations and various political parties, suggesting that a broad consensus for such policies exists. These policies have emphasized limited budget deficits, the result of which is that current debt levels are manageable. Additionally, Mexico's current account deficit has in recent years been small, increasing confidence in the credit quality of Mexican sovereign debt. Most significantly, economic performance and fiscal policy during the severe 2009 recession and its aftermath demonstrates Mexico's ability to maintain discipline under the most difficult of economic circumstances.

Commenting on this rating, Alberto Ramos, CEO of HR Ratings said: "We are pleased to be issuing a rating of Mexican sovereign debt as our first sovereign rating. Our ratings philosophy is to provide dynamic, forward-looking analysis. Seeking to provide investors with maximum transparency, we are meticulous in our analysis of both the positive and negative factors that affect our ratings."

Felix Boni, Chief Credit Officer of HR Ratings, said: "We use IMF metrics that reveal the relative strengths of a country's economic performance against other sovereign groups, classified according to various economic and regional characteristics, which enables us to be more precise in our analysis."

The HR A- (G) rating assigned indicates that Mexico provides acceptable security to service its debt obligations with a low credit risk. The "-" sign that accompanies the long-term debt rating implies a relative weakness within each rating scale, while the short-term HR2 (G) assigned rating means it offers an acceptable capacity for timely payment of short-term debt obligations and maintains a higher credit risk compared with higher sovereign credit rating.

HR Ratings' Mexican sovereign debt rating included the following additional analyses and conclusions:

- HR Ratings compared Mexico with other sovereigns on a variety of relevant metrics, an analysis that supports the assigned ratings, especially versus large economies which generally have higher credit ratings even with poorer credit quality fundamentals.
- An analysis forecasts an "on-Budget" financial deficit rising to 3.06% of GDP in 2019 with the debt reaching 41.7%. This change (from 2.5% and 31.7% for the last twelve months through June 2012 and as of 2019, respectively) is fully consistent with the rating.
- Cautious long-term view with some additional upside risk to our forecast assumptions. Although Mexico's inflation remains above targeted levels, significant progress has been made in stabilizing it, especially at the core level, thus substantially reducing the risk of an increase from current levels. Furthermore, the current rate at above 4% appears to be related to transitory factors.

Downward rating pressure could result from one of the following issues:

- A slowing in long-term growth prospects for the United States (U.S.), upon which Mexico is strongly dependent. This is despite some recent degree of diversification in Mexican trade patterns.

- Risk that past policies will change given that a new administration from a different party is taking office in December. One possible result of this could be the creation of expansive new entitlement programs in health and pensions. HR Ratings assumes that a prudent fiscal policy will continue. However, forecasts do assume that economic and political pressures will produce deficits that will gradually lead to rising debt to GDP ratios.
- Deficiencies in public security. Although crime has likely had an impact on economic growth in Mexico, the extent of this impact is difficult to determine, especially in the context of strong recent performance. HR Ratings does not assume any forthcoming change in this regard.

An overview of the methodology for HR Ratings, including this rating, is the HR Ratings de México, S.A. de C.V. Ratings Scale. Please see the HR Ratings Scale at:

www.hrratings.com/es/metodologia.aspx

About HR Ratings
HR Ratings de México, S.A. de C.V. is a leading credit rating agency, authorized by Mexico's National Banking and Securities Commission (CNBV) and is the first Latin-American rating agency and only the tenth company worldwide that currently has the registration by the U.S. Securities and Exchange Commission (SEC) as a Nationally Recognized Statistical Rating Organization ("NRSRO") for issuers of government securities.

HR Ratings provides credit ratings for a range of debt securities and institutions in Mexico including governmental entities, corporates, financial institutions and infrastructure with a value totaling approximately $30 billion dollars. Based in Mexico City, the Firm has the on-the-ground resources and expertise to provide unparalleled insights into the credit risks of market participants. For more information, please visit: www.hrratings.com

For further information, please contact:

MEXICO	U.S.A.
Mario Maraboto + 52 (55) 5062.8250 mmaraboto@zimat.com.mx	Liz Cohen / Jason Marshall (212) 445-8044 / 8042 liz.cohen@webershandwick.com jmarshall@webershandwick.com

Contacts
Felix Boni
Chief Credit Officer, HR Ratings
E-mail: felix.boni@hrratings.com

Alfonso Sales
Analist, HR Ratings
E-mail: alfonso.sales@hrratings.com

Jorge González
Executive Director Investor Relations, HR Ratings
E-mail: jorge.gonzales@hrratings.com

C+ (52-55) 1500 3130

HR Ratings de México, S.A. de C.V. (HR Ratings) is a securities rating firm authorized by the Comisión Nacional Bancaria y de Valores (Mexican Banking and Securities Commission), with over 100 years total experience analyzing and rating the credit quality of companies and government entities in Mexico, and also asset management, or performance in terms of the corporate purpose of any entity.

HR Ratings values are Validity, Quality, and Service.

Paseo de los Tamarindos 400-A Piso 26, Col. Bosques de las Lomas, 05210, México, D.F. Tel 52(55)1500 3130

The rating granted by HR Ratings de México, S. A. de C.V. in this press release is supported by the analysis of stress and base scenarios. The Rating is supported in the following methodology:

Sovereign Debt Methodology, September 2012

For additional information regarding HR Ratings´ Methodology, please consult the web page: www.hrratings.com/es/metodologia.aspx