



PRESS RELEASE

**PARIS CLUB AGREES ON PERU'S OFFER
TO PREPAY UP TO US\$ 2.5 BILLION OF ITS DEBT**

The representatives of the Paris Club creditor countries and of the Government of Peru met in Paris on 23 May 2007 in order to examine the offer made by the Government of Peru to prepay its debt rescheduled in 1993 and 1996 and not granted under Official Development Assistance conditions.

The principle of a prepayment at par as proposed by the Government of Peru to its Paris Club creditors was accepted. According to Paris Club rules, each creditor country may decide to participate or not in this operation. For the participating creditors, the prepayment will be made on 1st October 2007, after conclusion of bilateral implementation agreements.

This prepayment reflects the strong economic and financial performance of Peru and the Government's sound debt management strategy.

Background notes

1. The Paris Club was formed in 1956. It is an informal group of creditor governments from major industrialized countries. It meets on a monthly basis in Paris with debtor countries in order to agree with them on restructuring their debts.

2. The members of the Paris Club who are creditors of the Republic of Peru are Austria, Belgium, Canada, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Spain, Sweden, the United Kingdom and the United States of America.

3. The delegation of Peru was headed by Mr Luis CARRANZA UGARTE, Minister of Economy and Finance. The meeting was chaired by Mr Ambroise FAYOLLE, Co-Chairman of the Paris Club, Assistant Secretary at the Treasury and Economic Policy Department of the French Ministry of Economy, Finance and Employment.

Technical note

The debt owed to Paris Club creditors eligible for the prepayment operation amounts to around US\$ 2.535 billion (after payment of the 30 June 2007 and 15 August 2007 instalments), to be paid up to 2015.