



PRESS RELEASE

**PARIS CLUB AGREES ON PERU'S OFFER
TO PREPAY UP TO US\$ 2 BN OF ITS DEBT**

The representatives of the Paris Club creditor countries met on June 15, 2005 to agree on the offer made by the Republic of Peru to prepay up to US\$ 2 bn principal maturities of its debt falling due between August 2005 and December 2009. The prepayment will be made at par and offered to all creditors. The debt covered by this offer is the debt not granted under Official Development Assistance conditions.

The interest savings achieved through this prepayment will support the Republic of Peru in the implementation of a cautious and balanced debt management strategy.

Participation in the prepayment programme is voluntary. The majority of Peru's creditors have indicated that they are likely to participate.

Payments to creditors will be made on August 15, 2005.

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.

Technical note

The Republic of Peru's debt not granted under Official Development Aid conditions and owed to Paris Club creditors will be, prior to any prepayment, US\$ 4.2 billion as of July 1, 2005.