

REPUBLIC OF PERU

**PROJECT: SECOND GROUP OF
PROVINCIAL AIRPORTS IN THE
REPUBLIC OF PERU**

EXECUTIVE SUMMARY

**PRIVATE INVESTMENT PROMOTION
AGENCY**



ProInversión

**COMMITTEE IN INFRASTRUCTURE AND STATE
PROJECTS**

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Important Notice

The present Executive Summary has been prepared by PROINVERSION. It is provided only as information for potential investors and to assist them in determining their interest in participating in the Call for Bid to grant in Concession the Second Group of Provincial Airports of the Republic of Peru. This document is not a request for investments.

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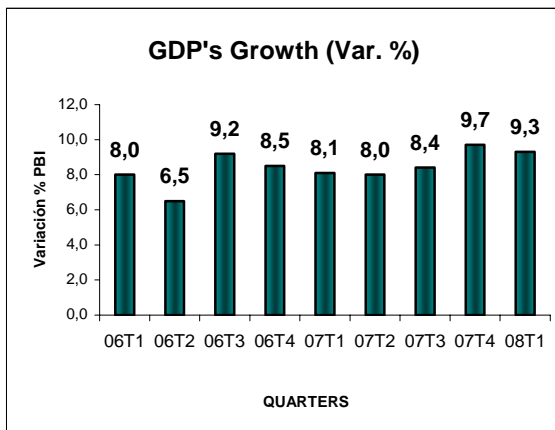
1. Peru

Peru is South America's third largest country, after Brazil and Argentina. It spans over 1.28 million Km² and has a population of 27 million people and 21 inhabitants per square kilometer population density. It is located in the west central portion of South America's Pacific coast, a position that poses it as a regional business hub as well as a strategic bridge among the markets of South America, the United States and Asia.

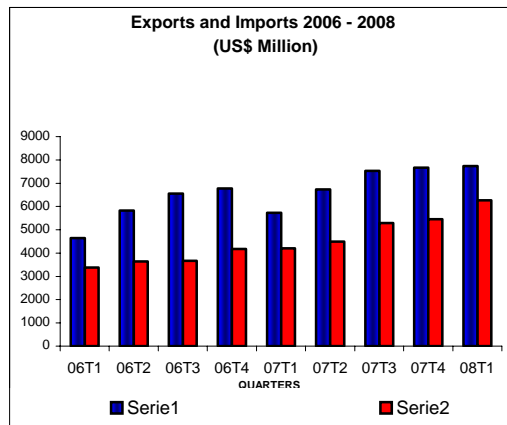


In terms of GDP, Peru shows a sustained growth and registered a 9.3% increase in 2008 regarding last year. In 2007 per capita GDP reached almost US\$ 3 931.

Since 2002, Peru has enjoyed a positive trade balance that reached US\$ 8, 4 billion in 2007, and the first quarter of 2008 reached US\$ 1473 million because of a permanent growth in the export levels.



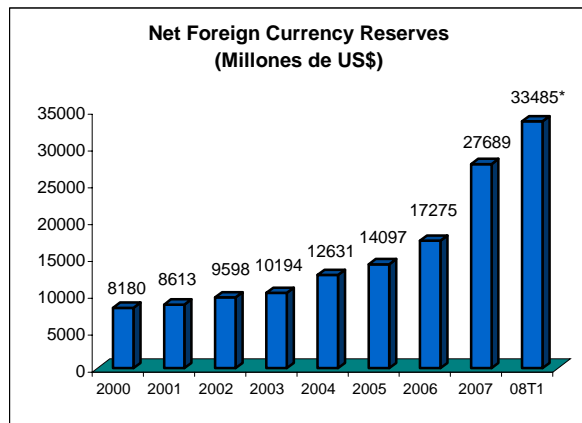
Source: BCR / INEI



Source: BCR / INEI

In the first quarter of 2008, exports reached US\$ 7734, 8 million, which represented a 34.58% increase compared to the first quarter of 2007. This increase is mainly attributed to a greater product diversification, favorable price evolution in foreign markets and access to new ones.

Net Foreign Currency Reserves reached US\$ 33 485 million as of the first quarter of 2008, while Foreign Debt was estimated at 16, 5 % of GDP.



Source: BCR/INEI

In July, 2008 the prestigious agency Standard & Poor's Services, granted Peru with the investment grade, from BB+ to BBB-. This grade is sustained in his sound economic prospect, the promissory perspective of growth and responsible managing of the fiscal policies of our country, and considering the recent rating granted in April of the present year by the agency Fitch Ratings and in October, 2007 by the Canadian Credit risk DBRS.

2. Second Group of Provincial Airports in the Republic of Peru

In the country's private investment promotion process, whose purpose is to improve service quality and national transport infrastructure, and as part of the productive activities transfer process to the private sector launched by the Peruvian Government; PROINVERSION is in charge of implementing the process of said transfer through management and execution of the Private Investment Promotion Process in Airport Infrastructure.

Accordingly, on February 2001 PROINVERSIÓN granted in concession the International Airport Jorge Chávez (AIJCH).



In order to continue with the task entrusted, the Promotion Plan was approved in meeting held by the Steering Committee on February 04, 2004, ratified by Supreme Resolution N° 022-2004-EF dated March 24, 2004.

The aforementioned promotion plan established the grant in concession of nineteen (19) airports, divided into three groups.

The contract for the Concession of the First Group of Airports was entered into with Aeropuertos del Perú S.A. on December 11, 2006.

Within this year's Investment Promotion framework, PROINVERSION plans to carry out the Comprehensive Projects Bid to grant in concession the Second Group of Provincial Airports in the Republic of Peru.

The airports making up the Second Group are:

1. AIRPORT OF ANDAHUAYLAS (APURÍMAC REGION)
2. AIRPORT OF AREQUIPA (AREQUIPA REGION)
3. AIRPORT OF AYACUCHO (AYACUCHO REGION)
4. AIRPORT OF JULIACA (PUNO REGION)
5. AIRPORT OF PUERTO MALDONADO (MADRE DE DIOS REGION)
6. AIRPORT OF TACNA (TACNA REGION)

AIRPORT OF ANDAHUAYLAS (APURÍMAC REGION)

INVENTORY OF ANDAHUAYLAS AIRPORT	
ITEM	DESCRIPTION
City/Aerodrome	Andahuaylas/ Andahuaylas Airport
International/National	National
ICAO Reference Code	4C
ICAO/IATA Code	SPHY/ ANS
Aerodrome Reference Point	13° 42' 15" S - 073° 20' 53" W
Distance and Location	18 Km north of Andahuaylas downtown
Elevation Above Sea Level	3444 m
Reference Temperature	20.0 °C
Hours of Service	8 Hours – from 6 a.m. to 2 p.m.
Seasonal Availability	All year long
Administrative Authority, Operator	CORPAC
Operation Category	Visual approximation
Runway Designation	03/21
Dimensions	2,500 x 45 m Asphalt
Margins	3.0 m on each side
Longitudinal Slope	1.1%
Runway Strip	100 m wide
Runway strength	PCN 24/ F/ B/ Y/ U
National Platform	Asphalt 2 Antonov24 (80 x 95 m) Self maneuver
Taxiway	23 m
Terminal Building	Area 510 m ²
Parking	Parking lot
Access Route	Paved from the Andahuaylas City

AIRPORT OF AREQUIPA (AREQUIPA REGION)

INVENTORY OF RODRÍGUEZ BALLÓN INTERNATIONAL AIRPORT OF AREQUIPA	
ITEM	DESCRIPTION
City/Aerodrome	Arequipa/ Alfredo Rodriguez Ballon International Airport
International/National	National/International
ICAO Reference Code	4D
ICAO/IATA Code	SPQU/ AQP
Aerodrome Reference Point	16° 20' 25.69" S - 071° 34' 22.38" W
Distance and Location	8 Km northeast of Arequipa downtown
Elevation Above Sea Level	2,562 m/ 8405 feet above seal level
Reference Temperature	22.6 °C
Hours of Service	From 6 a.m. to 10 p.m.
Seasonal Availability	All year long
Administrative Authority, Operator	CORPAC
Operation Category	Precision, non-precision and visual approach by instruments
Runway Designation	09/27
Dimensions	2,980 x 45 m Asphalt
Margins	7.5 m on each side

INVENTORY OF RODRÍGUEZ BALLÓN INTERNATIONAL AIRPORT OF AREQUIPA

ITEM		DESCRIPTION			
Longitudinal Slope		Exceeds in 1.39% ICAO's recommendations for this type of aerodrome			
Runway Strip		150 m wide			
Runway strength		PCN 39/ F/ B/ X/ T			
Platform	National/ International	Asphalt and Concrete	6 positions for C code	32,000 m ²	Self maneuver
Taxiway		23 m wide without margins			
Terminal Building		Area of 3200 m ² and 725 m ² in two floors.			
Parking		Parking lot			
Access Route		Asphalted streets to Arequipa City			

AIRPORT OF AYACUCHO (AYACUCHO REGION)

INVENTORY OF CORONEL FAP ALFREDO MENDIVIL DUARTE AIRPORT OF AYACUCHO

ITEM		DESCRIPTION			
City/Aerodrome		Ayacucho/ Coronel FAP Alfredo Mendivil Duarte Airport			
International/National		National			
ICAO Reference Code		4C			
ICAO/IATA Code		SPHO/ AYP			
Aerodrome Reference Point		13° 09'04"S - 074° 12' 06" W			
Distance and Location		3.4 Km northeast of Ayacucho downtown			
Elevation Above Sea Level		2718 m			
Reference Temperature		25.5 °C			
Hours of Service		12 Hours – from 6 a.m. to 6 p.m.			
Seasonal Availability		All year long			
Administrative Authority, Operator		CORPAC			
Operation Category		Visual approximation			
Runway Designation		02/20			
Dimensions		2,800 x 45 m Asphalt			
Margins		No margins			
Longitudinal Slope		0.23%			
Runway Strip		100 m wide			
Runway strength		Road surface is in so bad condition that it cannot be classified. However, Peru's AIP classifies it as PCN 24/ F/ B/ X/ T			
Platform	National	Asphalt	4 airplanes	100 x 200 m	Self maneuver
Taxiway		22.5 m wide			
Terminal Building		Area 1950 m ²			
Parking		Parking lot			
Access Route		Paved from Ayacucho City			

AIRPORT OF JULIACA (PUNO REGION)

INVENTORY OF INCA MANCO CÁPAC INTERNATIONAL AIRPORT OF JULIACA					
ITEM		DESCRIPCIÓN			
City/Aerodrome	Juliaca/Inca Manco Capac International Airport				
International/National	International/National				
ICAO Reference Code	4D				
ICAO/IATA Code	SPJL/ JUL				
Aerodrome Reference Point	15° 28' 00.7" S - 070° 09'28.4W				
Distance and Location	5 Km (3.10 miles) northwest of Juliaca downtown				
Elevation Above Sea Level	3,826 m (150.62 inches)				
Reference Temperature	18.8°C (65.84°F)				
Hours of Service	12 hours (7 A.M. - 7 P.M.)				
Seasonal Availability	All year long				
Administrative Authority, Operator	CORPAC				
Operation Category	Non-precision approach by instruments at runway 30 using the aerodrome VOR/DME.				
Established Procedures	Two thresholds, 12 and 30, for landing and take-off				
Runway Designation	12/30				
Dimensions	4,200 x 45 m asphalt				
Margins	7.5 m on each side				
Longitudinal slope	0.05%				
Runway leveling	150 m wide				
Runway strength	PCN 46/ F/ C/ X/ T				
Platform	National	Asphalt	3 positions for C code aircrafts	100 x 200 m	Self maneuver
Taxiway	23 m wide with margins of 7.5 m on each side				
Terminal Building	Area 1826 m ²				
Parking	Parking lot				
Access Route	Asphalted from Juliaca City				

AIRPORT OF PUERTO MALDONADO (MADRE DE DIOS REGION)

INVENTORY OF PADRE JOSÉ ALDAMIZ INTERNATIONAL AIRPORT OF PUERTO MALDONADO					
ITEM		DESCRIPTION			
City/Aerodrome	Puerto Maldonado/ Padre Jose Aldamiz Airport				
International/National	National				
ICAO Reference Code	4C, although it has capacity to accommodate 4D aircrafts				
ICAO/IATA Code	SPTU/ PEM				
Aerodrome Reference Point	12° 36' 49" S - 069° 13' 43" W				
Distance and Location	7 Km west of Puerto Maldonado downtown				
Elevation Above Sea Level	200.8 m/ 659 feet above sea level				
Reference Temperature	31.8 °C				
Hours of Service	6 A.M. - 6 P.M.				
Seasonal Availability	All year long				
Administrative Authority, Operator	CORPAC				
Operation Category	Precision, non-precision and visual approach by instruments				
Runway Designation	01/19				
Dimensions	3,500 x 45 m. It is made of concrete				

INVENTORY OF PADRE JOSÉ ALDAMIZ INTERNATIONAL AIRPORT OF PUERTO MALDONADO

ITEM		DESCRIPTION			
Margins		7.5 m on each side			
Longitudinal slope		0.72%			
Runway leveling		150 m wide			
Runway strength		PCN 69/ R/ C/ X/ T			
Platform	National/International	Asphalt and Concrete	3 positions for C code	90 m x 205 m made of concrete	Self maneuver
Taxiway		23 m wide with margins of 7.5 m on each side			
Terminal Building		Area 3280 m ²			
Parking		Parking lot			
Access Route		A road leading to Puerto Maldonado City that is in good condition			

AIRPORT OF TACNA (TACNA REGION)

INVENTORY OF CORONEL FAP CARLOS CIRIANI SANTA ROSA INTERNATIONAL AIRPORT OF TACNA

ITEM		DESCRIPCIÓN			
City/Aerodrome		Tacna/ Coronel FAP Carlos Ciriani Santa Rosa International Airport			
International/National		National/International			
ICAO Reference Code		4D			
ICAO/IATA Code		SPTN/ TCQ			
Aerodrome Reference Point		18° 03' 11.84" S - 070° 16' 32.96" W			
Distance and Location		5 Km southwest of Tacna downtown			
Elevation Above Sea Level		469 m/ 1538 feet above sea level			
Reference Temperature		28.0 °C			
Hours of Service		6 A.M. - 10 P.M.			
Seasonal Availability		All year long			
Administrative Authority, Operator		CORPAC			
Operation Category		Precision, non-precision and visual approach by instruments			
Runway Designation		02/20			
Dimensions		2,500 x 45 m asphalt			
Margins		7.5 m on each side			
Longitudinal slope		1.99% , it exceeds ICAO limit recommendations			
Runway strip		150 m wide			
Runway strength		PCN 39/ F/ A/ X/ T			
Platform	National/International	Asphalt and Concrete	4 positions for C code	Dimensions 240 x 50 m	Self maneuver
Taxiway		23 m wide with margins of 7.5 on each side			
Terminal Building		Area 1860 m ² and 278 m ² on two floors			
Parking		Parking lot			
Access Route		The Pan-American Highway passes next to the Airport and leads to Tacna City			

3. Project Characteristics

- **Description:** To grant in concession to the private sector the design, construction, financing, operation, maintenance and running of provincial airports.
- **Method:** The concession term will be 25 years and it will be cofinanced by the State.
- **Competition Factor:** Minimum amount required for operation and maintenance.
- **Estimated Investment:** US\$ 131.9 million for the whole period (exclusive of sales taxes (IGV)).

Airport	Until 2012	2013-2032	Total
Andahuaylas	1.8	9.6	11.5
Arequipa	15.6	15.5	31.1
Ayacucho	9.9	8.8	18.7
Juliaca	6.5	16.8	23.3
Puerto Maldonado	15.0	10.5	25.5
Tacna	14.5	7.4	21.9
Total estimated investment (US\$ MM)	63.3	68.3	131.9

Concessionaire's Rights

Rate collection and the opportunity to carry out collateral businesses in the concession area. Cofinancing by the State for operation and maintenance and work execution.

- **Concessionaire's Obligations**

Operation and maintenance of the airports. Design, financing and work execution.

Airport advisor for the first 5 years. Key personnel (positions and experience) during the whole concession period.

- **Minimum Technical Requirements**

- To obtain and maintain DGAC Operation Certificate.
- To comply with IATA Level D at airports with annual passenger traffic from 100,000 to 350,000 passengers and IATA Level C at airports with passenger traffic over 350,000.
- ISO certification once reached traffic of 500,000 passengers.

- **Initial-Term Investments**

- Quick impact (adaptations for disabled people, signaling and internal lighting of terminals, improving parking lots, among others).
- Safety (new life-saving stations and fire stations, perimeter fencing, among others).
- Terminal extension in accordance with the results of studies.

- **Remaining Term Investments**

Works in infrastructure, periodic maintenance and equipping necessary to guarantee compliance with the Minimum Technical Requirements (DGAC Operation Certificate and IATA Level C and D) and to meet the projected demand.

4. Status of the Process

Supreme Resolution N° 022-2004-EF dated March 24, 2004 ratified Proinversion Steering Committee's Agreement that approves the Provincial Airports Promotion Plan in the Republic of Peru.

The Comprehensive Projects Bid to grant in concession the Second Group of Provincial Airports will be published in newspapers and PROINVERSION's website on November 2008.

5. Schedule

Activity	Estimated Time
Call for Tenders	November, 2008
Reception of Envelope N° 1	March, 2009
Reception of Envelopes N° 2 and N° 3 and Opening of Envelope N°2	July, 2009
Opening of Envelope N°3 and Award	August, 2009