MEDIUM AND LONG TERM PUBLIC DEBT

MINISTRY OF FINANCE
REPUBLIC OF PERU

NATIONAL DIRECTORATE OF PUBLIC INDEBTEDNESS
ANALYSIS AND PROGRAMMING DIRECTORATE

QUARTERLY REPORT : PUBLIC DEBT ANALYSIS, as of JUNE 30, 2010 1_/

In the current period, the debt portfolio reached an amount of about USD 32,2 billion, similar position to previous quarter, however, highlights an improvement in its indicators which can be explained by the exchange and tender transaction Global Bond 2012, 2015 and 2016 in dollars and Global Bond in Euros 2014 by Global Bond 2033 and the Sovereign Bond 2042. Thus, the average life was increased by 1,1 years and the component of Nuevos Soles at 2,1%, indicators that summarize the progress that is being achieved to mitigate both the refinancing and market risk. On the other hand, there is a correlation between overall balance and new debt (disbursements minus amortizations), where the last one increases in times of fiscal imbalance (deficit). Finally, international reserves compared to total public debt remain positive.

Public Debt Stock, June 2010

Categories	Stock (USD Mill.)	Present Value (USD Mill.)	Average Life (years)	Duration (years)	ATR (years)	Debt Cost in USD (%)
Market	**16 852**	**18 342**	**16,51**	**9,19**	**16,46**	**6,29**
Global Bonds	8 439	10 548	15,84	8,88	15,84	7,69
Sovereing Bonds	8 309	7 691	17,26	9,64	17,26	4,88
Other Bonds	104	103	11,11	7,96	2,75	5,30
Non Market	**15 310**	**12 518**	**7,11**	**5,33**	**4,29**	**4,17**
Paris Club	3 175	3 150	6,81	5,13	6,81	4,31
Multilaterals	8 327	8 345	6,74	5,23	2,52	4,20
Suppliers	41	37	5,10	4,39	4,82	4,92
Others	3 767	986	10,78	7,19	10,40	3,46
TOTAL	**32 162**	**30 860**	**12,48**	**7,63**	**11,25**	**5,38**

Decomposition of the Stock Variation, December 2009 - June 2010 (USD Mill.)*

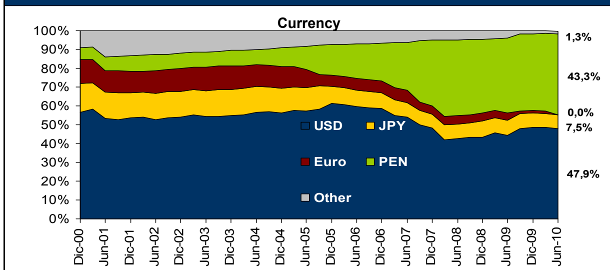
Currency	Stock	FX Effect	Net Effect	Total Variation
USD	15 413	-352	-118	-470
PEN	13 912	0	671	671
JPY	2 422	51	-59	-8
Other	415	-94	-508	-602
TOTAL	**32 162**	**-395**	**-14**	**-409**

* It is measured in PEN but expressed in USD.

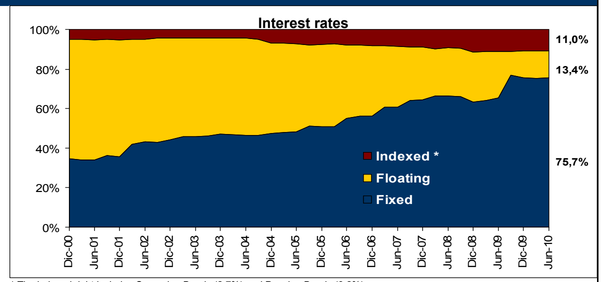
Last liability management transactions

Operation	Execution date	Amount (USD Mill.)	Reduction of ...
External Bond Exchange and Tender	Apr-10	1800	...refinancing risk
IDB Conversion	Apr-10	30	...currency and interest rate risks
Cross Currency Swap	Mar-10	73	...currency and interest rate risks
Internal Bond Exchange	Nov-09	289	...refinancing risk
Paris Club Prepayment	Aug-09	851	...currency and refinancing risk

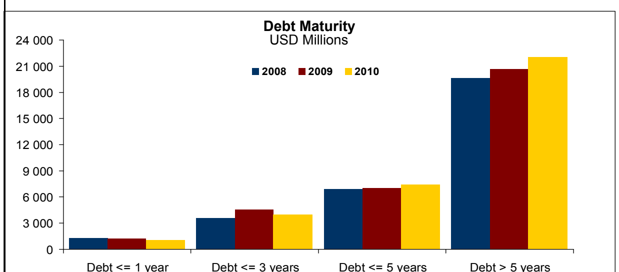
Structure of the Debt Portfolio

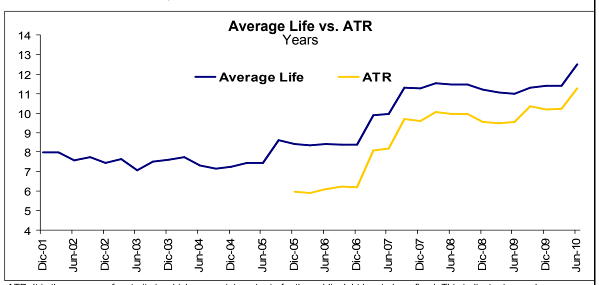


Note: Percentage of the synthetic debt in local currency is 5,9%.

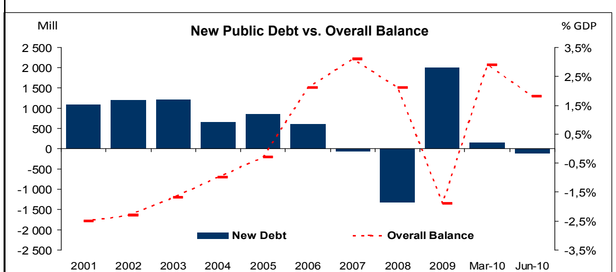


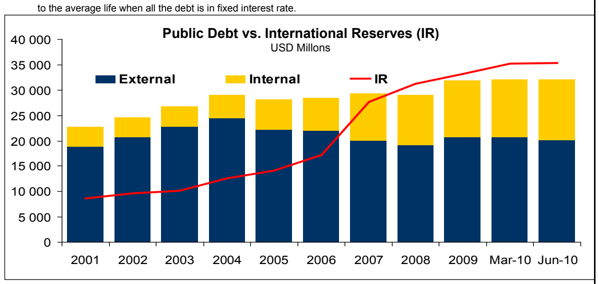
* The indexed debt includes Sovereign Bonds (2,7%) and Pension Bonds (8,2%).





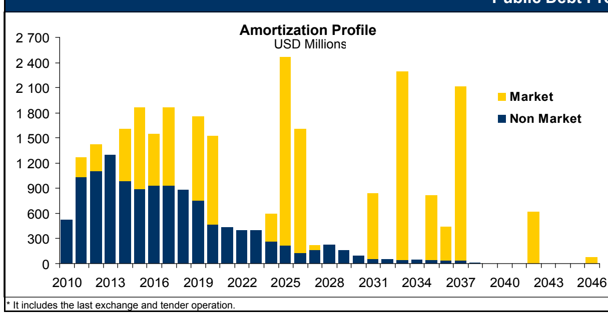
ATR: It is the average of maturity in which a new interest rate for the public debt has to be refixed. This indicator is equal to the average life when all the debt is in fixed interest rate.

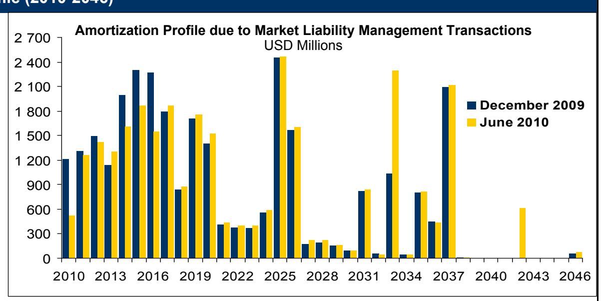




Note: The new debt is the result of disbursements minus repayments

Public Debt Profile (2010-2046)





* It includes the last exchange and tender operation.

1_/ All the figures are based on the official statistics that includes swap transactions.