

International
New Issue

Lima Airport Partners
S.R.L. — LAP

Rating

Fixed-Rate Notes due 2022..... BBB-

Related Ratings

Peru FC IDR* BB+

Peru LC IDR* BBB-

Country Ceiling BBB-

*Positive Rating Outlook. FC - Foreign currency.
LC - Local currency. IDR - Issuer default rating.

Issuer Name..... Lima Airport Partners

Country.....Peru

Issuance Amount..... \$164,879,000

Maturity..... 2022

Concession Maturity..... 2031

Analysts

Sam Fox

+1 312 606-2307

samuel.fox@fitchratings.com

Gersan Zurita

+1 212 908-0318

gersan.zurita@fitchratings.com

Jessica Soltz Rudd

+1 415 732-5616

jessica.soltzrudd@fitchratings.com

■ Transaction Introduction

The Lima Airport Partners S.R.L. (LAP) issuance is a securitization backed by airport revenues, transferable rights to the operating concession and the shares of the majority owners. The Lima airport operates as a natural monopoly, controlling a service area with a strong economic profile. Lima, with approximately 8 million people, is the 26th-largest city in the world and represents one third of the country's population while generating 50% of the country's GDP. The Lima airport is considered the gateway to Peru and receives 98% of total international air traffic to the country.

The operating concession expires in 2031, nine years after the expected repayment of the debt, and has an automatic right of renewal for an additional 10 years. Several aspects of the concession agreement potentially limit the financial profile of LAP. First, more than 50% of concession revenues are shared with the government, effectively reducing EBITDA margins from what would be 85% to approximately 23% (the margin is approximately 55% when excluding concession fees from the LAP revenue calculation). Second, the concession has material capital-expenditure requirements, which, if upheld, will debilitate future cash flows. Finally, the complexity of the rate-setting mechanism causes uncertainty regarding future tariffs. Some key economic elements of the concession are currently being renegotiated with the government with the goal of ensuring LAP's economic balance and reducing uncertainties for the future. The outcome of these talks remains uncertain. In assigning our rating, Fitch assumed no material, favorable changes as a result of these negotiations.

The financing employs a ring-fenced structure, which should successfully isolate the asset from the operator's solvency risk or even the risk of the operator losing the concession. It will contain debt covenants, dividend restrictions and cash flow controlling trust accounts. The use of proceeds is primarily to refinance existing debt held by Kredintanstalt fur Wiederaufbau (KfW) and Overseas Private Investment Corporation (OPIC).

■ The Airport

The Jorge Chavez International Airport of Lima accounts for 64% of all passenger air traffic in the country. Total passengers amounted to 6.0 million in 2006. Lima handles a total of 339 scheduled international departures per week from both Peruvian and international carriers. Miami, Houston, Atlanta, Madrid, Panama and Newark are the top six nonstop destinations, with load factors exceeding 82%. International seat departures as of December 2006 were led by Grupo LAN (27%) and Grupo TACA (73%). At present, the hub traffic

July 10, 2007

generated by LAN (rated 'BBB') is vital to Lima. Geographically, South America accounts for the largest share of visitors to Peru (61%), followed by North America (24%), Europe (11%) and other regions (3%). Europe is growing the fastest in terms of visitors. LanPeru accounts for 62% of the domestic passenger market, with Cuzco as the top destination by a wide margin (approximately 1.4 million passengers in 2005).

Lima benefits from little viable competition, especially within Peru. Lima's alternate landing sites are Guayaquil (Ecuador), at a distance of 700 miles, and Cuzco, situated 349 miles southeast of Lima. Cuzco serves mainly the tourist market and cannot handle the large aircraft used for intercontinental travel.

One of LAP's key strategies has been to establish Lima as a regional hub in South America. At present, Latin America lacks viable regional hubs outside of Miami, which is inefficient, congested and prone to delays, and to a lesser degree, Panama City. Given its geographic location, Lima is beginning to serve as a north-south connection point in the Americas.

Lima's increasing activity as a regional hub is due, partly, to the strength of LAN and its ability to take advantage of "open-sky" policies and bilateral agreements. Since the 1980s, LAN has accumulated rights from throughout Latin America that enable it to exploit routes between signatory countries and fly beyond to a third country.

Cargo tonnage volume at Lima amounts to 196 metric tons, of which 10% was domestic and 90% international. Lima represents an essential link between Peru and global economic activity. International cargo volumes (mostly export-oriented agricultural shipments) grew 14% annually in the 1994–2004 decade and 6.4% in the 2004–2006 period, accounting for most of the total cargo growth handled at the airport. Export diversion away from Lima to Peruvian airports that are more directly accessible to or within regions that produce exported products is unlikely to occur before 2010. Iquitos, a likely competitor, is situated 621 miles northeast of Lima and currently handles only 7% of Lima's cargo tonnage; however, it is growing rapidly. Free trade agreements (FTAs) with a number of nations and regional economic blocks represent an important

component of Peru's economic policy, as free trade has stimulated Peruvian exports substantially in recent years. An FTA with the United States remains uncertain, however, and is unlikely to be ratified by a Democrat-controlled U.S. government.

■ Concession Agreement

The concession agreement has typical rights, obligations and causes for termination, as seen in other airport operating concessions. Since inception, four amendments to the concession have been approved, and a fifth has recently been presented to the government for its consideration. Fitch's understanding is that the first four amendments were clarifications and not overly material to the economic profile of the airport.

The build, operate and transfer (BOT) contract is between the government of Peru—through the Ministry of Transport, Communications, Housing and Construction (MTC)—and the consortium comprising LAP. In November 2000, the government awarded the concession to LAP for a term of 30 years with an option to extend it in year 27 for 10 additional years (until 2041). The maximum term of the concession cannot exceed 60 years.

Under the concession contract, LAP is responsible for the operation of the airport, distribution of slots for take off and landing, aeronautical services, certain nonaeronautical services, design, construction of improvements, repair, maintenance of the concession assets in compliance with basic standards and minimum technical requisites.

Airport Expansion

MTC will have delivered to LAP the area required for the expansion within the first eight years of the concession, provided that LAP demonstrates technically and agrees with Organismo Supervisor de la Inversión en Infraestructura de Transporte de Uso Público (OSITRAN, the regulator) that the land allows for the development of the master plan fully.

Tariffs

Tariffs are determined at LAP's discretion but subject to a maximum stipulated in the contract. Tariffs cannot be modified during the first eight years of the concession, except as required to reestablish economic equilibrium or in the event of force majeure.

Representations of LAP

Among other standard representations and warranties, including solvency, LAP affirms that it does not intend to incur, nor does it pretend to incur, debts greater than its ability to repay.

MTC Guaranty

Creditors are third-party beneficiaries of the concession with respect only to the payment of the debt under the terms approved by MTC. Payments made by MTC in the event of termination do not constitute a guaranty of the debt. Under no circumstance will MTC guarantee or assume jointly the obligations of LAP with respect to creditors.

Events of Force Majeure

For events expected to persist for more than six months, MTC may opt to do the following:

- Permit a temporary tariff increase above the maximum established in the contract;
- Permit an extension of the term of the concession; or
- Permit any other measure.

Events of Termination

Termination events include the following:

- Insolvency, dissolution, bankruptcy of the concessionaire;
- Embargo; and
- Acceleration due to debt payment default.

If the government terminates the concession, MTC will pay LAP a termination payment to be received within one year and equal to the present value of the free cash flow, as defined in the agreement, plus the book value of works that were started but not completed at the time of notification, less outstanding debt principal, interest and fees. Namely, MTC pays the creditors out of the termination payment, and the net amount is remitted to the concessionaire. In the event the termination payment is insufficient to fully repay creditors of the concession, MTC is obligated to initiate the following procedure:

- Request proposals for a new concession.
- Name a temporary operator of the airport.
- The operator will be obligated to pay debt out of only airport revenue, net of the retribution

payment (46.511% of gross revenue), operations and maintenance (O&M) and payment obligations of LAP. Creditors have no other recourse: the government will not make debt payments out of any other source.

- The new permanent concessionaire will assume the debt obligations of LAP.
- Upon acquiring the concession, the new concessionaire will pay the following:
 - Workers.
 - Debt principal, interest and fees.
 - Taxes.
 - Penalties.
 - Other liabilities.
- In the event that a new concessionaire is not selected within a term of 16 months or the term agreed to by MTC and the creditors, MTC will pay up to the book value of the works (after paying workers).

Concession Payments

LAP is obligated to pay the government through OSITRAN a retribution payment every quarter. The payment is the greater of the following:

All concession payments must be made in U.S. dollars. Fees paid by the concessionaire to the government are significant, comprising approximately 56% of total revenue, and are broken down as follows:

- Payment to CORPAC (air traffic controller) equal to 50% of total landing and takeoff revenues.
- Payment to CORPAC equal to 20% of the international Tarifa Unica de Uso de Aeropuerto (TUUA).
- A concession fee, paid through OSITRAN, equal

Historical Fees

(\$000)

	2004	2005	2006
Gross Revenue	75,532	89,653	100,008
Payment CORPAC	(12,889)	(14,985)	(16,292)
46.5% Fee	(28,506)	(34,362)	(38,751)
1% Regulatory Fee	(755)	(897)	(1,000)
Net Revenue	33,382	39,409	43,965
Net Rev. as a % of Gross Rev.	44.20	44.00	44.00

to 46.5% of gross revenues after payments to CORPAC.

- A regulatory fee paid to OSITRAN equal to 1% of gross revenues for supervisory services.

Permitted Creditors and Guaranties

The concessionaire is permitted to do the following:

- Establish a fiduciary trust to guaranty the debt;
- Establish a mortgage (security) over its concession right; or
- Collateralize the debt with revenues.

In an event of default, the creditors have the right to have MTC substitute the concessionaire.

The members of the concession can pledge their interest to creditors. In the opinion of counsel, upon termination of the concession, an intervener appointed by MTC will assume LAP's rights and obligations until the concession is awarded to a new concessionaire. This underscores the importance of the airport's continuous operations to the nation. During the period of intervention, the issuer will not be affected and the cash flows assigned by LAP to the issuer will remain in effect. Under the concession, the new concessionaire will assume the previous concessionaire's obligations with respect to the permitted lenders. The new concessionaire will assume LAP's obligations with respect to the Peruvian trust, and the cash flows will continue to be deposited into its accounts.

The concession reserves special rights for certain creditors under a permitted guaranteed indebtedness clause. A permitted creditor is protected from risk of concessionaire removal. Permitted creditors are assured rights over title and interest in the concession assets in the form of a mortgage on the concession and collateral on its revenues. Permitted creditors have the power to enforce the guarantee and can require the government to replace the concessionaire in case of an event of default. This type of guarantee is unique to the LAP concession. Typically, a default by the concessionaire and a revocation of a concession would render a financing structure worthless, because rights to cash flows, by definition, only exist if the concession remains in effect.

Economic Equilibrium

The parties recognize that the legal, economic and financial framework and the contract conditions constitute a harmonic and organic whole. Under a legal stability agreement, the government of Peru guarantees stability in the income tax regime.

Change of Law

If gross revenues decline 5.5% or more during four consecutive quarters relative to forecast or, alternatively, expenses rise 5.5% or more, or if the compounded effect of a reduction in revenue and increase in expenditure results in a net decline equal to or greater than either of these alternatives, MTC could allow an increase in tariffs or an extension of the concession.

Covenants

Under the terms of the indenture, LAP is subject to standard project finance covenants, including the following:

- Compliance with the investment commitment under the concession and an OSITRAN-approved investment program. Each year, LAP will submit a plan to the independent engineer, detailing all capital expenditures proposed for the ensuing three years.
- Additional project debt will be permitted subject to, among other restrictions, compliance with a minimum projected quarterly debt-service coverage ratio (DSCR) of at least 1.30 times (x), an average DSCR of 1.50x and a debt-to-equity ratio of at least 65-to-35.
- Distributions to shareholders (restricted payments) will not be made unless the DSCR for the preceding four quarters is greater than 1.25x; the minimum projected DSCR is at least 1.25x for each remaining quarter and the average projected DSCR is at least 1.5x.
- Transactions with affiliates, liens and asset sales are also restricted.

■ LAP Ownership Structure

In November 2000, the Peruvian government awarded a 30-year concession to a consortium formed by Fraport AG Frankfurt Airport, Bechtel Enterprises Services (Bechtel) and Cosapi S.A. (Cosapi). The concession governed the construction, improvement, conservation and exploitation of the Jorge Chavez International Airport in Lima.

LAP Ownership Breakdown

Shareholder	Percentage (%)
Alterra Lima Holdings LTD	57.25
Fraport AG Frankfurt	42.75
Total	100.00

Minor changes to the ownership profile have also occurred since 2001. In December 2001, Bechtel sold its 42.75% ownership to Alterra Partners, a 50/50 joint venture between Bechtel and Singapore Changi Airports. In September 2003, Alterra Partners acquired all the shares owned by Cosapi, representing 14.5% of the capital stock in LAP. The current ownership of LAP is shown in the table above.

Alterra Partners is currently in discussion to sell its 57.25% of LAP. The expected future ownership structure will make Fraport the controlling shareholder and is shown in the table below.

Regulated Revenues and Tariff Setting

All aeronautical revenues, including the TUUA, fees for landing and takeoff, aircraft parking and cargo-related charges, are regulated by OSITRAN. Similar to other public infrastructure concessions, the key regulatory mechanism of retail price index (RPI) minus X was established in the concession and is further detailed in supporting amendments and resolutions. In the regulatory equation, "RPI" equals the U.S. consumer price index (CPI) and "X" represents the productivity factor. Essentially, X measures LAP's productivity gains in relation to productivity gains in the Peruvian economy overall. Therefore, as LAP's business model achieves a greater degree of efficiency, the regulatory mechanism reduces certain rates and charges.

RPI-X-regulated revenues accounted for

LAP Shareholders

Shareholder	Percentage (%)
Fraport Lima Holdings, Ltd.	45.01
Fraport AG Frankfurt	15.00
IFC	19.99
Fondo de Inversion en Infraestructura	10.00
Other Persons or Entities	10.00
Total	100.00

IFC – International Finance Corporation.

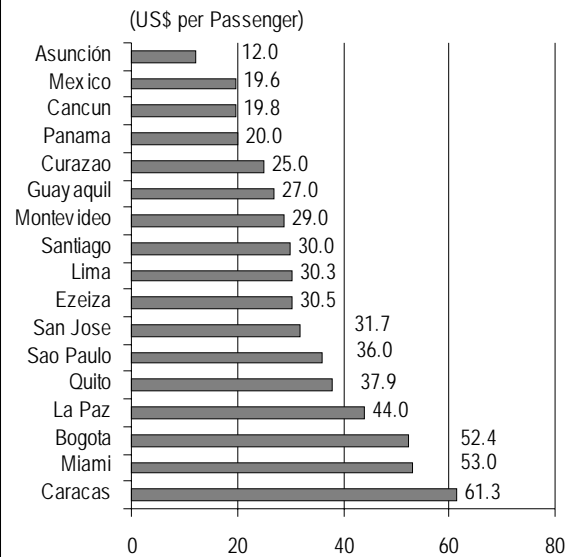
approximately 69% of total operating revenues in fiscal 2006, with the TUUA alone representing 45% of the total. Fuel and ground handling, which together accounted for 13% of 2006 operating revenues, are regulated only by inflation. Commercial revenues are completely unregulated and accounted for 17% of 2006 revenues.

Every five years, the regulated revenue or tariff is revised per the RPI-X formula. Starting in 2008, the regulated revenue/tariff will be adjusted for the next five year period, 2009–2013. Currently, LAP operates under a single-basket approach, where the maximum regulated revenue/tariff is established per the formula, but LAP determines the prices charged for individual regulated airport services. Although Amendment 7 to the concession includes a provision formalizing the single-basket approach, the government now seems interested in establishing a multiple-basket approach, where the RPI-X formula would be calculated separately for individual regulated services. This approach would be overly burdensome to implement, and market forces are likely to keep airline rates and the TUUA reasonable.

Furthermore, LAP is dual till, which means that commercial revenues are separated out and only the aeronautical fees are counted toward managing the regulated revenue/tariff maximum. However, this dual-till approach is not documented anywhere in the concession or supporting regulations and amendments. Both an OSITRAN/CORPAC resolution and an OSITRAN/LAP technical agreement mention this approach, but only the pending amendment would formalize it. The concession's lack of clarity on these issues could potentially pose a problem, but the government is incentivized to resolve these issues in LAP's favor because of how cash flow is distributed. Since the concession did not involve an upfront payment and the government's share of the gross revenues is approximately 55%, both the government and LAP are more profitable under a dual-till approach.

An increase in capital expenditures would have a direct effect on the X-factor calculation, as increased costs drive down the efficiency ratio. Future X-factor assumptions are correlated with the requirement and timing of the second runway's buildout. The X factor is also driven lower by low traffic, given the effect on the overall productivity equation. In theory, any

Latin American Regional Rates for International Passenger Charges and Fees

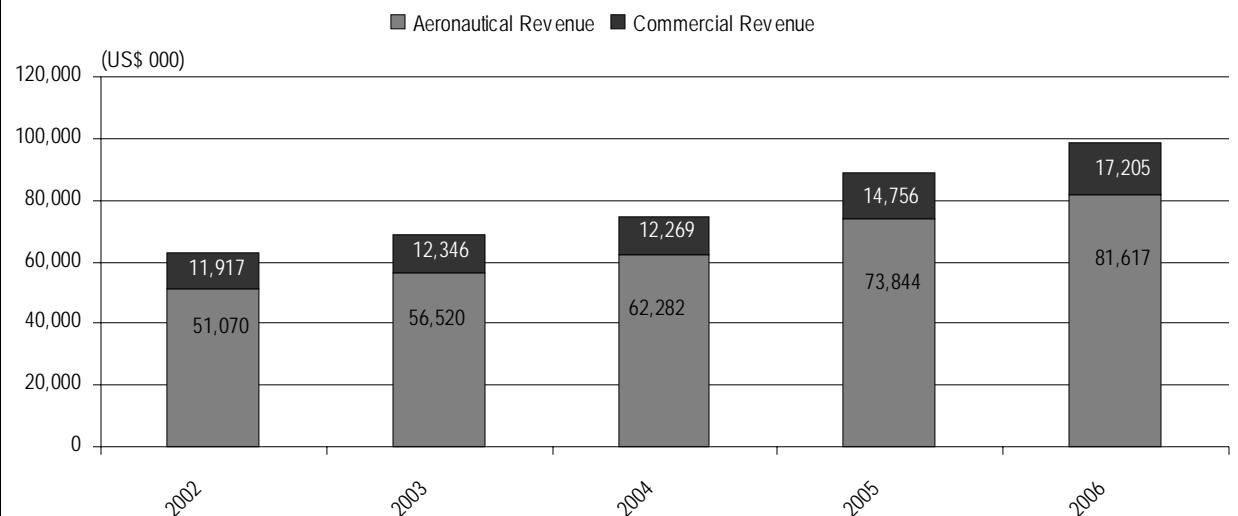


US\$ – U.S. dollar. Source – LAP.

modeling scenarios with high capital expenditures and low traffic should also drive X-factor assumptions downward.

Historical Revenues

Total Revenue Distribution



US\$ – U.S. dollar.

Historically, LAP's operating margins have been healthy, ranging from 52% in 2001 to 49% in 2006. During this period, aeronautical revenues grew 15% annually, and commercial revenues increased by 17% annually. Although operating and general expenses also increased by rates of 17% and 15% annually, resulting operating profits still grew by 15% annually. Fiscal 2006's cash and cash equivalents level was solid at \$24 million, reflecting growth of 45% since 2001. Furthermore, the value of the concession has grown to \$166 million in fiscal 2006. Long-term debt increased as well, to \$107 million, but will be taken out with proceeds from the 2007 bonds.

Several factors are affecting the net results. First, aeronautical revenues are regulated through the RPI-X formula, which includes the cost of capital improvements and inflation, offset by productivity. Therefore, regulated aeronautical revenues are set at levels that allow LAP to achieve a certain return on investment that is reasonable and related to cost. Another factor is the Peruvian government's concession fee, which is 46.511% of gross revenues after deducting the CORPAC fee (20% of the international TUUA and 50% of the landing/take-off revenues). Therefore, the government's share of gross revenues in fiscal 2006 was 55%, after accounting for both the concession's and CORPAC's

fees.

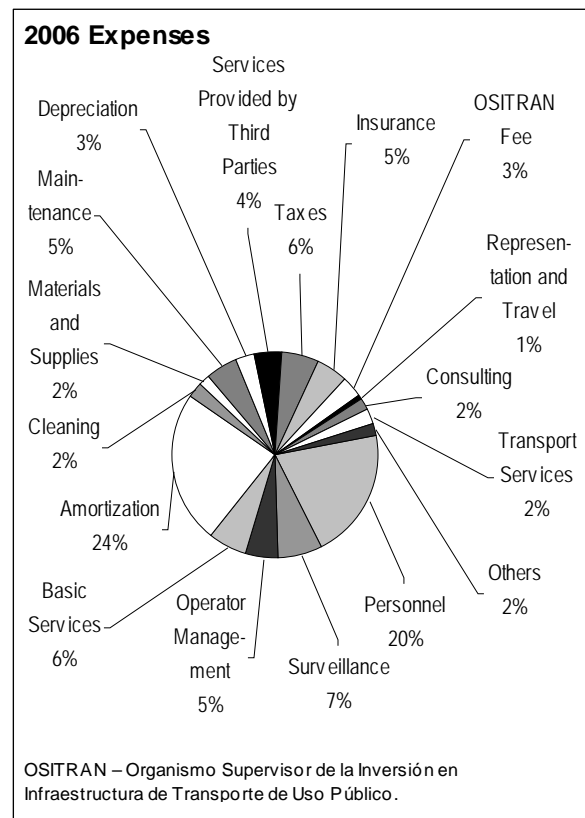
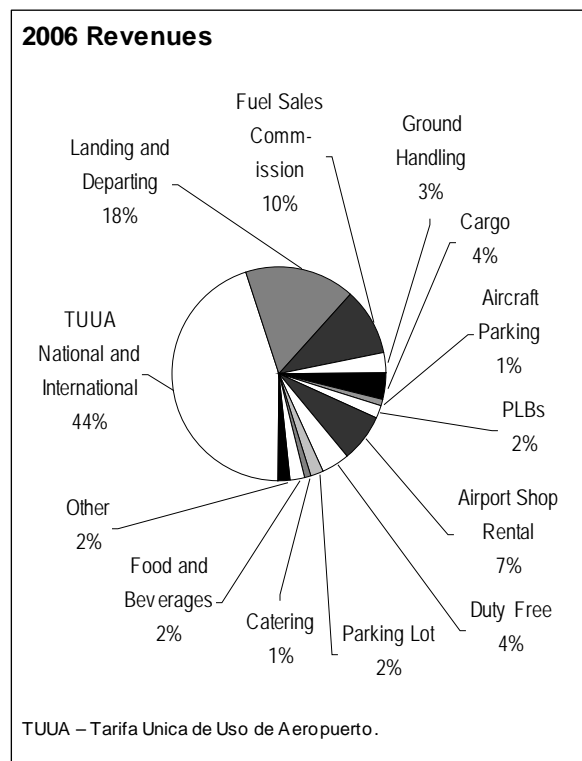
LAP's EBITDA margin of 23% is below that of comparable airport concessions. This discrepancy is due to the large share of gross revenues that go to the government under the concession. Unlike some infrastructure concessions, no upfront payment was required; rather, the cost of the concession is large annual percentage payments. Furthermore, net debt/EBITDA was modest at 4.29x in fiscal 2006 but is expected to double after the 2007 bonds. Although LAP will be highly leveraged, the airport's monopoly position, the strength of anticipated cash flows and bondholders' positions as permitted creditors somewhat offset this risk.

Capital Expenditures

Annex 6 of the concession requires capital investment of \$1.061 billion for initial-period (2001–2008) projects: a second runway and new terminal. Through 2006, \$188 million was invested and all milestones were met. Annually, OSITRAN reviews the capital/maintenance plan. Capital-expenditure costs are recovered through the RPI-X (regulated revenues) formula. Therefore, depending on

passenger demand and the resolution of the second runway issue, the timing of capital-expenditure costs and the related regulated revenue will fluctuate.

Phase I projects included 87,000 square meters of additional terminal space, 19 loading bridges, 32 aircraft parking positions, and cargo and support facilities. These projects were done through an engineering, procurement, and construction (EPC) contract, with Bechtel serving as the construction manager. This phase was delivered three months early and under budget with \$11 million in contingency remaining. Phase II included landscaping, parking, water and wastewater systems, electrical upgrades, seismic retrofit of the main building, a VIP lounge and cargo-related projects. The \$26 million cost of 2007 expenses was supported with funds saved from earlier projects. For this phase, LAP used a construction management at risk (CMR) contract, which transfers little risk but allows for collaboration in early planning and design. During this phase, LAP bid the airport hotel project out to third parties. LAP management determined the costs



of developing a hotel, in relation to the net returns, were insufficient to undertake the project. This is partly due to the gross revenue sharing component of the concession. Under the current arrangement, LAP receives revenue sharing from the third-party hotel developer and will share its portion with the government under the concession. However, LAP bore no risk related to this development, only upside revenue potential. Phase III, the last phase of the initial period, includes 12 additional jet parking positions, further concourse expansion, apron expansion, the creation of a common security checkpoint and new systems. These projects are estimated to cost \$40 million.

The second runway and terminal are the only projects outside the initial investment period. Concession Annex 11 requires the government to provide the land for the second runway within four years of concession close (2008) and provides LAP the option to terminate the concession if the land is not provided by 2012. To date, the government has established a trust fund with \$180 million and a list of property owners. Although LAP is currently negotiating an extension of the timeframe to develop the runway, all of Fitch's financial scenarios incorporate the costs of the runway before 2015. Passenger demand supporting a second runway is projected to occur in 2028–2030, so LAP anticipates developing it during the concession term. However, LAP management hopes to undertake this development in the later part of the concession term, because routine runway maintenance should keep the current runway viable until then and passenger demand will not require it.

Traffic Forecast

SH&E, Inc. (SH&E) prepared long-term aviation forecasts for LAP, the findings of which were

summarized in a report prepared in February 2007.

According to SH&E, over the past 10 years, international passenger traffic to and from Peru has grown faster than international travel elsewhere in Latin America (7.9% per year compared with 5.7% on average in the region).

International traffic growth at Lima is driven by South American and North American business and tourism travel. The relationship between Peru's GDP performance and international passenger growth at Lima is strong and underpinned by business passenger growth.

Total commercial aircraft operations (including domestic passenger operations, international passenger operations and all-cargo operations) are forecast as shown in the table below.

Of note, SH&E's forecast assumes no political or economic shocks either in Peru or the region. It relies on economic forecasts that predict straight-lined growth, ignoring to a significant degree the cyclical characteristics of Peru's economy.

■ Cash Flow Model Analysis

The modeling analysis shows LAP's stable and healthy EBITDA margins to be resilient to various stress scenarios. Triggers limiting additional senior debt and dividends are built into the model and restrict cash flows.

The model attempts to mock probable future events, such as the following:

Average Annual Passenger Growth (%)

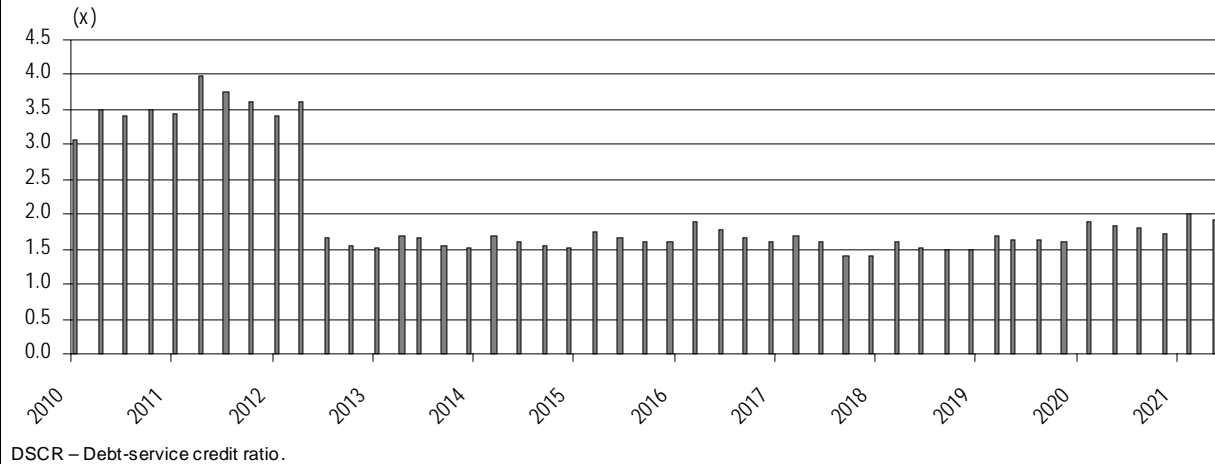
Period	International	Domestic	Total
1994–2004	7.20	1.50	4.10
2004–2006	7.80	9.30	8.50
2006–2007	7.70	8.30	8.00
2007–2008	9.10	5.90	7.60
2008–2018	6.40	4.80	5.70
2018–2030	4.00	3.10	3.60
2006–2030	5.30	4.10	4.80

Average Annual Airline Operations Growth (%)

Period	Low (0.5% <Base)	Base	High (0.5% >Base)
2003–2006	4.60	4.60	4.60
2006–2007	5.80	6.60	7.30
2007–2008	4.90	5.80	6.60
2008–2018	3.40	4.10	4.90
2018–2030	2.10	2.60	3.10
2006–2030	2.90	3.50	4.20

Base-Case DSCR

(As of July 31)



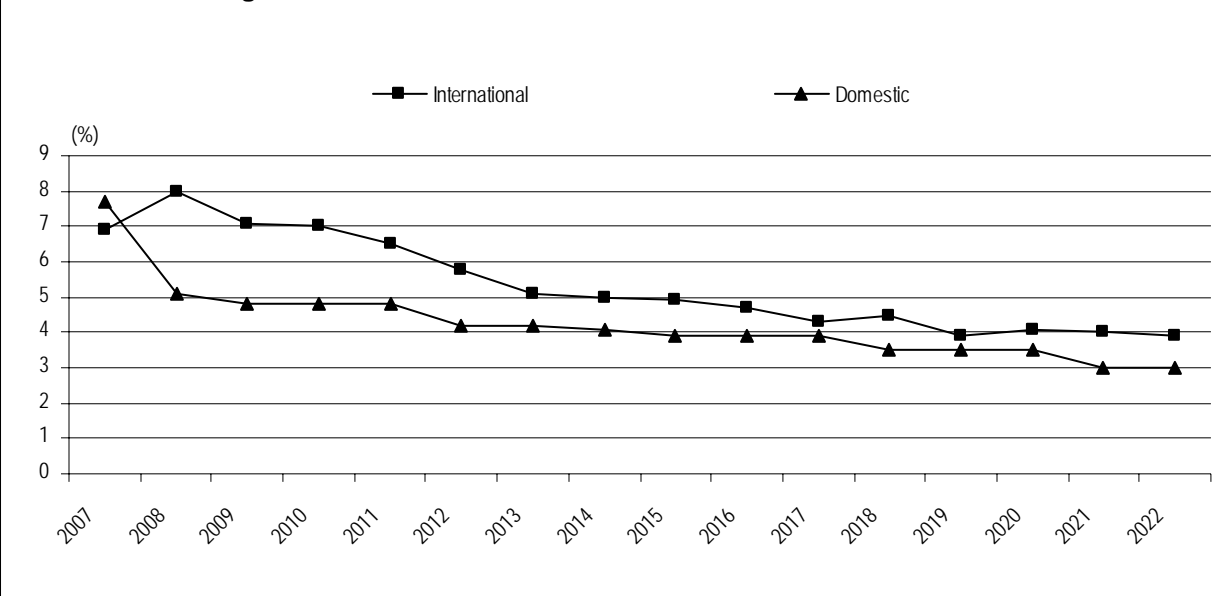
- Contingent capital expenditures (i.e., the terminal 2 buildout), driven by traffic volumes, are assumed to be completed when the volume is realized.
- Dividends, when allowed, are taken to the fullest extent.
- Additional debt, when allowed, is drawn with the intent to distribute proceeds as dividends.

Variable inputs include the following:

- Inflation, which drives tariff calculations.
- The X factor.
- Interest rate on additional debt.
- Expenses.

In all scenarios, Fitch assumed the second runway project is completed by 2015, as defined by the

Base-Case Passenger Growth Rates



concession. Other capital expenditures are carried out according to LAP's requirements, with totals ranging from \$800 million–\$900 million, depending on traffic assumption. The model gave no credit to EBITDA-generating Amendment 5 proposals. Additional senior debt is assumed at 100 basis points (bps) over the transaction rate and has a 16-year amortization profile. Additional junior debt was assumed at 350 bps over the transaction rate and pays down on a 10-year bullet.

Taking these background assumptions, Fitch ran several different base-case and stress scenarios in an attempt to test LAP's resiliency to economic shocks. Scenarios that created break-even environments for LAP included stress events that caused one-time 25% decreases in traffic and limited overall traffic growth throughout the life of the debt. In the same scenarios, growth in expenses outpaced growth in revenues and EBITDA growth was limited. Underpinning the transaction's rating, the results of these runs showed LAP covering its senior debt obligations.

■ Sovereign Summary

Peru's creditworthiness continues to strengthen, as the combination of declining public external debt and rising international reserves has reduced the country's vulnerability to external shocks. The

country's better than expected public finance and external account performance contributed to a marked improvement in key sovereign financial ratios last year. As a result, Peru's macroeconomic indicators not only compare favorably with Fitch-rated sovereigns in the 'BB' category but in many cases are now in line with low investment-grade credits. Nevertheless, given Peru's dependence on mineral exports, in particular, important hurdles to moving up the rating scale remain.

Peru's economy remains robust. Fitch estimates that the general government balance reached a surplus of approximately 1.8% of GDP in 2006, the first reported surplus since Fitch began coverage of Peru in 1999. Real GDP growth was 8% in 2006, while inflation remained in the low single digits. Buoyant domestic demand and better than anticipated prices for Peru's commodity exports underpinned growth, with almost all economic sectors expanding. While Fitch expects growth to decelerate, healthy domestic demand and still favorable prices for Peru's mineral exports should underpin real GDP growth between 6.5% and 7.0% this year as well, further supporting Peru's fiscal performance.

For a more detailed analysis on Peru, please see the sovereign report dated March 8, 2007, on Fitch's Web site at www.fitchratings.com.

Financial Operations — Lima Airport Partners S.R.L.
(US\$000, Fiscal-Year Ending Dec. 31)

	2006	2005	2004	2003	2002	2001
Balance Sheet						
Assets						
Cash and Cash Equivalents	23,873	19,133	8,475	7,080	23,839	16,419
Trade Receivables	6,288	6,565	4,174	3,670	3,951	3,136
Accounts Receivables from Partners	920	675	650	553	275	15,000
Other (Taxes, Inventories, Etc.)	2,032	3,127	8,894	4,827	551	788
Total Current Assets	33,113	29,500	22,193	16,130	28,616	35,343
Deferred Income Tax and Workers' Profit Sharing	445	N.A.	229	378	165	—
Equipment and Transportation, Net	4,608	3,066	3,650	3,885	4,218	800
Other	165,660	151,453	137,845	65,792	16,557	9,760
Total Assets	203,826	184,019	163,917	86,185	49,556	45,903
Liabilities and Partnership Equity						
Bank Overdrafts	—	—	27	—	46	38
Trade Payables	5,243	3,532	5,947	3,357	2,318	1,261
Concession Fees Payables	11,441	9,932	8,993	7,772	7,347	7,175
Taxes and Other Payables	2,946	1,446	2,455	638	1,456	921
Accounts Payable to Related Parties	710	987	11,096	5,521	1,128	5,693
Current Portion of Long-Term Debt	5,875	4,908	89	126	176	107
Total Current Liabilities	26,215	20,805	28,607	17,414	12,471	15,195
Long-Term Debt	107,703	96,035	76,743	21,417	102	171
Deferred Revenue	2,891	1,800	1,595	422	1,063	554
Deferred Income Tax and Workers' Profit Sharing	—	4,110	3,926	2,684	149	112
Total Liabilities	136,809	122,750	110,871	41,937	13,785	16,032
Partnership Equity						
Capital	30,003	30,003	30,003	30,003	30,003	30,003
Retained Earnings (Losses)	37,014	31,356	23,043	14,245	5,768	(132)
Total Partnership Equity	67,017	61,359	53,046	44,248	35,771	29,871
Total Liabilities and Equity	203,826	184,109	163,917	86,185	49,556	45,903
Income Statement Revenues						
Aeronautical						
TUUA National and International	44,650	39,470	35,319	31,601	27,421	22,970
Landing and Departing	17,392	16,180	13,502	12,293	12,183	10,528
Fuel Sales Commission	9,747	9,395	7,520	7,010	6,773	4,977
Ground Handling	2,641	2,597	1,939	1,479	2,454	989
Cargo	3,682	3,186	2,977	3,207	1,198	995
Aircraft Parking	1,296	1,184	1,025	930	1,041	779
PLBs	2,209	1,832	—	—	—	—
Total Aeronautical Revenues	81,617	73,844	62,282	56,520	51,070	41,238
Commercial						
Airport Shop Rental	6,582	5,836	4,585	4,824	4,914	3,638
Duty Free	4,110	3,694	3,385	3,407	3,155	1,741
Parking Lot	2,381	2,083	1,807	1,712	1,604	1,138
Catering	1,070	1,052	898	726	617	561
Food and Beverages	1,618	1,316	752	656	612	322
Passenger Ground Transportation	474	438	417	453	477	262
Other	958	337	425	568	538	184
Total Commercial Revenues	17,193	14,756	12,269	12,346	11,917	7,846
Other Income	1,198	1,053	981	874	854	709
Total Operating Revenues	100,008	89,653	75,532	69,740	63,841	49,793
Peruvian Government Concession Fee	38,751	34,362	28,506	26,559	24,543	18,641
CORPAC Fee	16,292	14,985	12,889	11,656	10,933	9,858
% of Total Operating Revenues	55	55	55	55	56	57
Retained Operating Revenues	44,965	40,306	34,137	31,525	28,365	21,294

N.A. – Not available. TUUA – Tarifa Unica de Uso de Aeropuerto. *Continued on next page*

Financial Operations — Lima Airport Partners S.R.L. (Continued)
(US\$000, Fiscal-Year Ending Dec. 31)

	2006	2005	2004	2003	2002	2001
Operating Expenses						
Personnel	6,032	6,023	5,405	5,404	4,971	3,663
Surveillance	2,030	1,676	1,956	2,056	2,006	1,344
Operator Management	1,565	1,902	1,752	1,984	1,692	2,628
Basic Services	1,730	1,630	1,138	1,282	1,212	1,154
Amortization	7,218	4,271	968	838	792	239
Cleaning	629	428	378	467	542	545
Materials and Supplies	507	395	353	400	393	317
Maintenance	1,620	1,015	400	277	320	159
Depreciation	1,033	684	745	680	306	109
Technical Services	116	83	79	61	56	36
Operating Expenses	22,480	18,107	13,174	13,449	12,290	10,194
General Expenses						
Services provided by Third Parties	1,121	817	955	871	1,102	1,181
Taxes	1,811	1,642	1,291	1,159	1,014	164
Insurance	1,552	1,500	1,398	1,512	959	323
OSITRAN Fee	998	912	774	692	644	492
Representation and Travel	199	116	114	158	517	228
Consulting	717	879	938	583	396	1,232
Transport Services	545	705	1,036	640	319	92
Rentals	—	—	—	—	—	57
Others	500	348	679	572	181	52
Total General Expenses	7,443	6,919	7,185	6,187	5,132	3,821
Total Operating and General Expenses	29,923	25,026	20,359	19,636	17,422	14,015
Operating Profit	15,042	15,280	13,778	11,889	10,943	7,279
Nonoperating Revenues (Expenses)						
Financial	(10,038)	(5,217)	(44)	(36)	(3,059)	(1,669)
Preoperating expenses	—	—	—	—	—	(5,684)
Other	868	119	(306)	(253)	(26)	(38)
Profit Before Income Tax and Profit Sharing	4,575	10,182	13,428	11,600	7,858	(112)
Workers' Profit Sharing	(670)	(281)	(625)	(154)	(403)	(22)
Income Tax	(2,802)	(1,175)	(2,614)	(644)	(1,685)	(90)
Deferred Income Tax	3,676	(333)	(1,122)	(1,876)	105	—
Deferred Employee Profit Sharing	879	(80)	(269)	(449)	25	—
Net Profit (Loss)	5,658	8,313	8,798	8,477	5,900	(224)
Operating/Financial Ratios						
Passengers (000)						
International	3,387	3,256	2,853	2,532	2,422	2,177
Domestic	2,652	2,406	2,221	2,005	1,893	1,961
Total	6,039	5,662	5,074	4,537	4,315	4,138
Passenger Growth (%)	7	12	12	5	4	—
Cargo	196,930	177,062	171,538	160,329	136,694	114,251
Cargo Growth (%)	11	3	7	17	16	—
Operating Margin (%)	77	79	82	80	80	79
Operating Margin After Government Fees (%)	49	54	59	56	56	52
EBITDA	23,293	20,235	15,491	14,566	13,055	7,883
EBITDA Margin (%)	55.8	54.3	49.2	46.2	46.0	37.0
EBITDA Margin % Before Concession Costs	25.1	24.4	22.2	20.9	20.4	15.8
EBIT	24,071	21,193	16,037	13,886	12,749	7,774
Net Debt/EBITDA (x)	4.29	4.39	4.57	1.47	0.01	0.02
EBITDA/Debt Service	2.21	4.19	381.41	404.61	4.27	4.72

OSITRAN – Organismo Supervisor de la Inversión en Infraestructura de Transporte de Uso Público. EBIT – Earnings before interest and taxes.
EBITDA – Earnings before interest, taxes, depreciation and amortization.

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