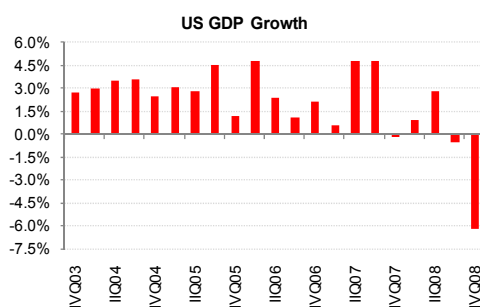


# Weekly Report

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## This week's main focus...



Source: Bloomberg

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## Highlights

- US Economy:** The US economy shrank in IVQ08 at a faster pace than previously estimated, as consumer spending plunged, companies cut inventories and exports sank. The US Commerce Department revised the GDP growth to -6.2%, the highest contraction since 1982. Consumer spending, which comprises about 70% of the economy, dropped at a 4.3% annual rate, the most since 1980, after falling 3.8% in IIIQ08. That marks the first time purchases have dropped by more than 3% in two consecutive quarters since record-keeping began in 1947.
- Fixed Income Market:** The Peruvian Government issued sovereign debt for S/.129m in the domestic market. The bonds yield 8.00% and due in August 2031. It was the first placement within the Market Maker Program since June 2008.
- Economics:** According to the Central Bank, private investment and private consumption grew 12.9% and 6.0% in January, respectively; while public investment slumped 20.3%. In this context, domestic demand would have grown 2.6% in January.
- Anti-crisis Plan:** The Government authorized the creation of two funds of S/.300m and S/.200m destined to support small companies in the industrial (Fogem) and the agriculture sectors (Agroperu), respectively.
- Electricity Sector:** Osinergmin signaled that electricity tariffs will not be adjusted in March. In other news, the Minister of Energy and Mines, Pedro Sanchez, affirmed that the problems in the supply of natural gas will persist until 2012.
- Companies:** The Brazilian company Vale announced that it will invest \$279m this year in the development of the Bayovar phosphates project. In other news, the Spaniard company ACS awarded the concession for the construction of the Taboada sewage treatment plant.
- IVQ08 Financial Results:** Buenaventura (-\$6.1m, n.a.)
- Changes (From - To):** Enersur (Buy+ - Buy)

## Upcoming Events

Monday, Mar 2 <sup>nd</sup>	PE:	CPI (Feb)
Tuesday, Mar 3 <sup>rd</sup>	US:	Pending Home Sales (Jan)
Wednesday, Mar 4 <sup>th</sup>	US:	FED's Beige Book
Thursday Mar 5 <sup>th</sup>	PE:	Central Bank Meeting
	US:	Factory Orders (Jan)
	EU:	GDP (IVQ08P)
		ECB Meeting
Friday Mar 6 <sup>th</sup>	US	Unemployment Rate (Feb)

## This week's publications

**IVQ08 Earnings Review:** C. Pacasmayo, Atacocha, Casagrande and Luz del Sur

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## PERU'S EQUITY MARKET

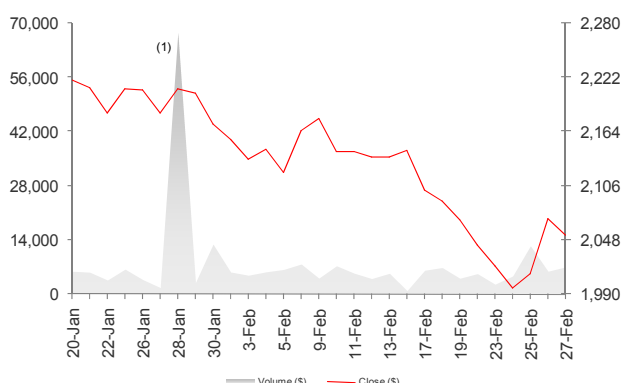
### LOCAL RECAP

The LSE indices registered a volatile performance this week. The release of discouraging U.S. economic data such as the IVQ08 GDP increased risk aversion among the investors. Nonetheless, the indices found some support on Ben Bernanke statement regarding that it would not be necessary to nationalize the banks. Moreover, the US President, Barak Obama, decision to raise banks bailout fund by \$750bls also gave some support to the markets. Furthermore, speculations that China will increase its copper imports also benefited the indices performances. In this context, the General (+0.5%) and Selective (+0.6%) indices rose.

Buenaventura C (-11.8%) fell, following the lower gold (-4.8%) and silver (-9.2%) prices. PCU (+2.0%) rose, following the higher copper prices (+9.8%), given the speculations that Chinese imports would grow 37% in 2009. On the other hand, Cerro Verde (-2.8%) fell. Among zinc concerns shares Atacocha B (+23.7%) outperformed followed by Volcan B (+5.6%), in a context where zinc prices (+2.4%) were benefited by the lower inventories levels. Relapasa (+5.0%) advanced, given the higher oil prices (+13.5%) as a consequence of the decline in U.S. inventories. The daily average traded volume reached \$6.4m. IFS (\$6.0m) was the most traded issue.

Next week, investors will pay close attention to the release of more details about the implementation of the U.S. Government measures to face the economic recession. Moreover, the release of economic data such as the ISM Manufacturer index, February unemployment rate and the January new industrial orders, will also guide the market performance. In the Euro-zone, the release of the IVQ08 GDP and the Central Bank meeting will be also an important event, as the former will reveal the effect of the crisis in the Euro-Zone economy while the latter will also give details of policymakers outlook of the economy as well as the measures they plan to take in order to prompt an economic recovery. In Peru, the release of February inflation rate and the Central Bank meeting will be the main events of the week. In this regard, we believe that the Central Bank will continue to ease its monetary policy.

LSE General Index: Traded Volume (\$,000) & Close (\$) Last 40 days



(1) Telefonica Moviles cross trades

### LSE INDICATORS

Index	02/27/09	Week	30 Days	YTD	LTM
IGBVL	2,052.6	0.5%	-7.0%	-8.5%	-67.1%
ISBVL	3,357.3	0.6%	-7.9%	-9.8%	-67.3%
INCA	13.3	-2.0%	-6.6%	-11.0%	-61.6%

### THIS WEEK'S BEST PERFORMERS

Stock	%
Atacocha B	23.7%
Telefonica S.A.	7.6%
Volcan B	5.6%
Relapasa	5.0%
Cementos Lima I	4.2%

### THIS WEEK'S WORST PERFORMERS

Stock	%
Buenaventura C	-11.8%
Atacocha C	-9.3%
Scotiabank	-3.8%
Cerro Verde	-2.8%
Graña y Montero	-2.6%

### RATINGS SUMMARY

As of February 27th		
	Target price (\$/.)	Rating
<b>Electric Utilities</b>		
Edegel C	1.61	Buy+
Enersur	14.40	Buy
Luz del Sur	4.88	Buy+
Edelnor C	2.74	Buy+
<b>Mining</b>		
BVN*	under review	Hold
Minsur I	8.00	Buy+
Volcan B	1.40	Buy+
Southern Copper*	19.28	Buy+
Cerro Verde*	16.31	Buy+
Milpo C	3.41	Sell
Atacocha B	under review	Hold
<b>Banking</b>		
Credicorp*	69.20	Buy+
<b>Construction</b>		
C.Lima C	27.80	Buy+
C.Pacasmayo C	3.13	Buy+
Graña & Montero	3.52	Buy+
Ferreyros	3.64	Buy+
<b>Consumer Goods</b>		
Alicorp C	2.71	Buy+
<b>Agriculture</b>		
Casagrande	8.30	Buy+

\*Expressed in US\$

### CASH DIVIDENDS & STOCK SPLITS

Stock	Amount	Record	Delivery
BACKUSI1	S/. 0.2212685720	9-Mar-09	30-Mar-09
PCU	\$0.1170	11-Mar-09	30-Mar-09

### CENTURA'S FOCUS LIST

Stock	Current Price (\$/.)	Target Price (\$/.)	Upside (%)
Minsur I	3.70	8.00	116.2%
Casagrande	4.00	8.30	107.5%
Credicorp	36.30	69.20	90.6%
Graña y Montero	1.85	3.52	90.4%
Ferreyros	2.00	3.64	82.0%
Alicorp C	1.51	2.71	79.6%

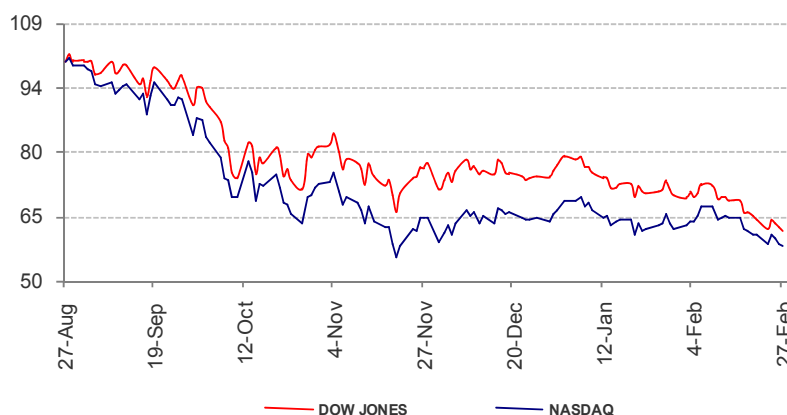
\* Expressed in US\$

## US & LATAM EQUITY MARKETS

### RECAP US

The fact that the US economy contracted more-than-expected in IVQ08 increased market participants' nervousness regarding the low probability of a short-term recovery of the US economy. Moreover, the release of January new and existing home sales and durable goods orders, showing a significant deterioration in all of these gauges, increased investors' apathetic mood. On the corporate front, the fact that AIG would be seeking to convert preferred stocks held by the Government into common shares and that the Government agreed to convert \$25.0bln of Citigroup's preferred shares into common stock hit the indices due to concerns that shareholders will be diluted. In addition, news that Barack Obama proposed an increase in taxes to the wealthiest citizens, which includes higher taxes on capital gains and dividends, also contributed with the indices losses. On the other hand, Ben Bernanke statements that there is no reason to nationalize banks and Barack Obama's proposal to raise banks bailout fund by \$750bln, eased investors concerns. In this context, the Dow Jones and NASDAQ indices declined 4.1% and 4.4%, respectively.

6- Months Relative Performance



### MAIN US EQUITY INDICES

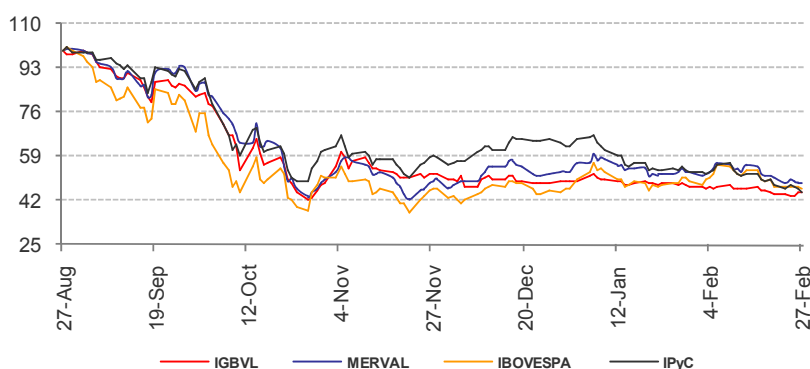
Index	02/27/09	Week	30 Days	YTD	LTM
DOW JONES	7,062.9	-4.1%	-15.7%	-19.5%	-43.9%
NASDAQ COMPOSITE	1,377.8	-4.4%	-11.6%	-12.6%	-40.9%
S&P 500	735.1	-4.5%	-15.9%	-18.6%	-46.3%

Source: Bloomberg

### RECAP LATAM

Latin America equity markets were once again affected by global financial markets. In a short trading week, Brazil's Bovespa (-1.5%) index registered a high volatility as the increase in raw material prices was offset by the growing concerns that the global recession might deepen. The fact that analysts reduced their earnings estimates for Vale do Rio Doce also affected the index.

6- Months Relative Performance



Source: Economatca

In Mexico, the IPC (-6.1%) index also declined due to the concerns regarding the impact of the US recession over the Mexican economy. Furthermore, the fact that mid-February consumer price index rose more-than-expected also contributed with the index decline. In addition, the release of IVQ08 current account balance, registering the highest deficit since 2000, drove the index down.

### MAIN LATAM INDICATORS

	02/27/09	Week	30 days	YTD	LTM
IGBVL	6,671.7	0.5%	-7.0%	-8.5%	-67.1%
IBOVESPA	38,202.5	-1.5%	-9.6%	-1.3%	-59.2%
MERVAL	1,019.3	-3.6%	-9.8%	-8.5%	-59.0%
IPC	17,752.2	-6.1%	-19.0%	-28.9%	-58.8%
IGPA	11,879.6	0.4%	-0.1%	12.2%	-32.4%
N. SOL	3,2503	0.0%	2.8%	3.5%	12.5%
REAL	2,3867	0.1%	5.1%	3.1%	43.0%
ARGENTINEAN PESO	3,565	0.8%	2.2%	3.2%	12.9%
MEXICAN PESO	15,246	3.2%	8.7%	11.5%	42.8%
CHILEAN PESO	596.750	-4.2%	-2.5%	-6.5%	30.8%

Source: Bloomberg

In Argentina, the Merval (-3.6%) index declined in a context where the disputes between the Government and the farmers union continued. Moreover, the fact that the government would be evaluating to nationalize the trade of grains increased investors' risk perception towards the country.

Finally, Chilean IGPA index fell 3.8% in Pesos terms as January industrial production declined the most since 1999 and copper production retreated 2.5% in January.

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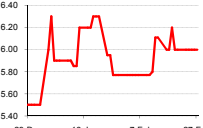

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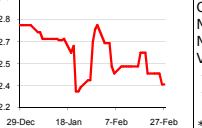
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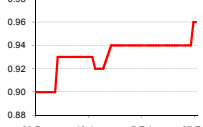

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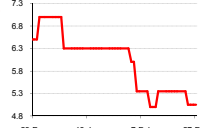
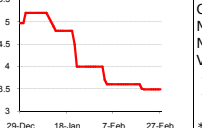



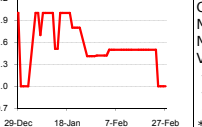
Mining									
<b>Candente</b>	US\$	Week	<b>0.00%</b>		<b>Luisa I</b>	S/.	Week	<b>0.00%</b>	
Closing price	0.13	Mkt.C US\$m	9.1		Closing price	22	Mkt.C US\$m	15.1	
Min*	0.13	P/E 07	N.A.		Min*	22.0	P/E 07	5.8x	
Max*	0.19	Frequency**	92.3%		Max*	24.5	Frequency**	60.4%	
Vol. Avg.	US\$(000)	EV/EBITDA	N.A.		Vol. Avg.	US\$(000)	EV/EBITDA	1.5x	
- Today	7.4	EPS	N.A.		- Today	0.0	EPS	3.764	
- Week	1.3	Price/BV	0.29		- Week	3.7	Price/BV	0.2x	
- YTD	0.0				- YTD	0.0			
* since Jan-09					* since Jan-09				
** 52 weeks					** 52 weeks				

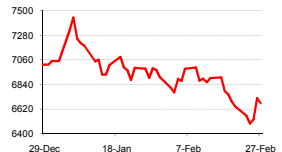
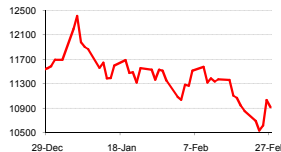
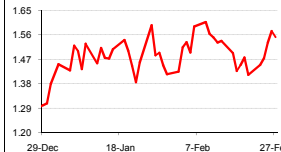
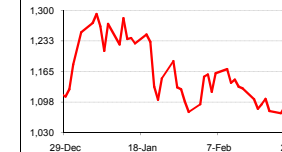


<b>Mincor</b>	S/.	Week	<b>0.00%</b>		<b>Raura I</b>	S/.	Week	<b>0.00%</b>	
Closing price	5	Mkt.C US\$m	59.9		Closing price	0.7	Mkt.C US\$m	14.4	
Min*	5	P/E 07	4.3x		Min*	0.7	P/E 07	3.7x	
Max*	6.3	Frequency**	74.5%		Max*	0.9	Frequency**	100.0%	
Vol. Avg.	US\$(000)	EV/EBITDA	2.9x		Vol. Avg.	US\$(000)	EV/EBITDA	1.7x	
- Today	9.2	EPS	0.470		- Today	0.0	EPS	0.188	
- Week	3.7	Price/BV	9.8x		- Week	0.0	Price/BV	0.3x	
- YTD	0.0				- YTD	0.0			
* since Jan-09					* since Jan-09				
** 52 weeks					** 52 weeks				

Telecommunications					Industrials				
<b>Perubar I</b>	S/.	Week	<b>0.00%</b>		<b>Telefónica B</b>	S/.	Week	<b>-3.27%</b>	
Closing price	4.15	Mkt.C US\$m	66.9		Closing price	2.4	Mkt.C US\$m	1,242.9	
Min*	4.15	P/E 07	1.7x		Min*	2.3	P/E 07	41.7x	
Max*	4.15	Frequency**	48.6%		Max*	2.8	Frequency**	97.0%	
Vol. Avg.	US\$(000)	EV/EBITDA	6.4x		Vol. Avg.	US\$(000)	EV/EBITDA	3.5x	
- Today	0.0	EPS	0.829		- Today	5.7	EPS	0.057	
- Week	0.0	Price/BV	3.3x		- Week	0.2	Price/BV	1.3x	
- YTD	0.0				- YTD	0.0			
* since Jan-09					* since Jan-09				
** 52 weeks					** 52 weeks				

<b>Exsa I</b>	S/.	Week	<b>2.13%</b>		<b>J.R. Lindley I</b>	S/.	Week	<b>0.00%</b>	
Closing price	0.96	Mkt.C US\$m	40.1		Closing price	0.5	Mkt.C US\$m	100.4	
Min*	0.9	P/E 07	10.7x		Min*	0.5	P/E 07	23.2x	
Max*	1.0	Frequency**	100.0%		Max*	0.7	Frequency**	100.0%	
Vol. Avg.	US\$(000)	EV/EBITDA	4.5x		Vol. Avg.	US\$(000)	EV/EBITDA	5.7x	
- Today	0.0	EPS	0.090		- Today	0.0	EPS	0.022	
- Week	6.8	Price/BV	0.7x		- Week	6.8	Price/BV	0.8x	
- YTD	0.0				- YTD	0.0			
* since Jan-09					* since Jan-09				
** 52 weeks					** 52 weeks				

Diverse					Agroindustrials				
<b>BVL A</b>	S/.	Week	<b>-5.61%</b>		<b>BVL B</b>	S/.	Week	<b>0.00%</b>	
Closing price	5.05	Mkt.C US\$m	67.1		Closing price	3.49	Mkt.C US\$m	67.1	
Min*	5.0	P/E 07	4.5x		Min*	3.5	P/E 07	4.5x	
Max*	7.0	Frequency**	56.3%		Max*	5.2	Frequency**	51.9%	
Vol. Avg.	US\$(000)	EV/EBITDA	0.3x		Vol. Avg.	US\$(000)	EV/EBITDA	0.3x	
- Today	0.0	EPS	0.783		- Today	0.0	EPS	0.783	
- Week	0.2	Price/BV	0.6x		- Week	0.2	Price/BV	0.6x	
- YTD	0.4				- YTD	0.2			
* since Jan-09					* since Jan-09				
** 52 weeks					** 52 weeks				

Agroindustrials									
<b>Casagrande</b>	S/.	Week	<b>-1.23%</b>		<b>Cartavio</b>	S/.	Week	<b>-4.35%</b>	
Closing price	4	Mkt.C US\$m	103.7		Closing price	11	Mkt.C US\$m	70.0	
Min*	3.8	P/E 07	5.7x		Min*	11.0	P/E 07	6.4x	
Max*	4.8	Frequency**	97.0%		Max*	12.0	Frequency**	7.6x	
Vol. Avg.	US\$(000)	EV/EBITDA	14.5x		Vol. Avg.	US\$(000)	EV/EBITDA	1.724	
- Today	6.4	EPS	0.702		- Today	3.2	EPS	0.7x	
- Week	6.8	Price/BV	0.4x		- Week	0.8	Price/BV		
- YTD	0.1				- YTD	0.0			
* since Jan-09					* since Jan-09				
** 52 weeks					** 52 weeks				

General Index	Selective Index	Copper Prices	Zinc Prices	Gold Prices	Silver Prices
					

## Analyst Certification

The Research Analyst that prepared this report hereby certifies that the views expressed in it accurately reflect his/her views about the subject companies and their securities. The Analyst also certifies that he/she has not been, is not, and will not be receiving direct or indirect compensation for expressing the specific view in this report.

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## Methodology & Rating System

Centura SAB's stock ratings are set on a twelve-month basis against relevant benchmarks. There are four stock ratings: **BUY +**: Upside potential above the "normal" risk-adjusted return of the ISBVL; **BUY**: Upside potential above the "normal" risk free rate for Peru; **HOLD**: Stock is expected to maintain investors capital relatively unchanged; **SELL**: Stock is expected to cause a capital loss for investors.

Expected Return <sub>StockX</sub> <0%	SELL
0%<Expected Return <sub>StockX</sub> <11%	HOLD
11%<Expected Return <sub>StockX</sub> <21%	BUY
21%<Expected Return <sub>StockX</sub>	BUY+

Centura SAB's calculation of price targets is based on a combination of one or more methodologies generally accepted among financial analysts, including, but not limited to, comparable valuations, discounted cash flows, whether in whole or by parts, or any other method which may be applied. The determination of a price target does not imply any warrant that it will be attained, since this depends on other intrinsic and extrinsic factors that affect both the performance of the company and trends in the stock market on which it is based.

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