

SCHEDULED SERVICE PROPOSAL

Daily Round Trip Service Proposed

Aero Continente has been authorized by the Government of the Republic of Peru to operate up to 7 weekly round trip flights between Lima and Miami carrying passengers, cargo and mail. The company proposes to implement this authorization to provide daily scheduled nonstop service in the market using B-727 aircraft configured with a maximum of 129 seats.

Under this plan 47,085 seats in each direction would be available on Aero Continente's scheduled services between Lima and Miami or a total of 94,170 seats in the first full calendar year of service which is assumed to be 1999.

A Passenger Revenue Load Factor of 68% is Forecast

Aero Continente has evaluated the Lima-Miami market based upon its historic experience operating within Peru. It has made a month by month estimate of traffic which is shown in Exhibit AER-8 and has projected that it will carry a total of 63,964 passengers in the first calendar year of service, 1999, resulting in a average annual load factor of 68%.

Computation of Fuel Consumption

The company has estimated that the fuel requirement for the proposed operation will be 214,376 gallons per month loaded in Peru and a similar amount loaded in Miami, resulting in a total monthly fuel consumption of 428,651 gallons. The annual forecast total fuel consumed is 5,143,812 gallons.