



# **Panama Canal Authority**

**Interim Financial Statements – Unaudited  
March 31, 2008**



**Panama Canal Authority**  
**Balance sheet**  
**March 31, 2008**

(In thousands of balboas - at par with US\$)

	<b>Mar. 31 2008 (unaudited)</b>	<b>Sep. 30 2007 (audited)</b>
<b>Assets</b>		
Non-current assets:		
Properties, plant and equipment, net	B/. 2,294,789	B/. 2,239,693
Current assets:		
Cash and bank deposits	1,498,779	1,406,383
Investments in securities	167,999	335,162
Accounts receivable	35,243	37,112
Inventories, net of provision for obsolete materials and supplies of B/.6,680 (2007 – B/.6,400)	34,395	35,368
Accumulated interest receivable and other assets	<u>26,621</u>	<u>26,151</u>
Total current assets	<u>1,763,037</u>	<u>1,840,176</u>
Total assets	<u>B/. 4,057,826</u>	<u>B/. 4,079,869</u>
<b>Equity and liabilities</b>		
Equity:		
Contributed capital	B/. 1,904,968	B/. 1,904,968
Retained earnings:		
Appropriated	1,818,515	1,475,151
Unappropriated	<u>110,220</u>	<u>486,414</u>
Total equity	<u>3,833,703</u>	<u>3,866,533</u>
Severance payable	10,000	10,000
Current liabilities:		
Accounts payable	87,250	75,802
Provision for marine accident claims	31,904	29,883
Salaries and leave payable	74,586	81,447
Other liabilities	<u>20,383</u>	<u>16,204</u>
Total current liabilities	<u>214,123</u>	<u>203,336</u>
Total equity and liabilities	<u>B/. 4,057,826</u>	<u>B/. 4,079,869</u>



**Panama Canal Authority**  
**Income statement – Unaudited**  
**For the six months ended March 31, 2008**  
(In thousands of balboas - at par with US\$)

	<b>2008</b>	<b>2007</b>
Revenues:		
Toll revenues	B/. 631,760	B/. 583,782
Vessel-transit-related services	<u>195,344</u>	<u>180,814</u>
	827,104	764,596
Other revenues:		
Electric power sales	40,013	42,475
Potable water sales	10,027	9,733
Interest income	40,377	35,123
Miscellaneous	<u>4,971</u>	<u>3,994</u>
Total other revenues	<u>95,388</u>	<u>91,325</u>
Total revenues	<u>922,492</u>	<u>855,921</u>
Expenses:		
Salaries and wages	174,956	173,793
Employee benefits	24,931	22,485
Materials and supplies	15,740	17,741
Fuel	36,612	28,824
Transportation and allowances	656	476
Contracted services and fees	12,233	14,613
Insurance	4,640	4,484
Provision for marine accidents	4,066	804
Provision for obsolete inventory	400	848
Other expenses	<u>3,390</u>	<u>3,505</u>
	277,624	267,573
Capitalized labor and materials	<u>(22,311)</u>	<u>(16,898)</u>
Total expenses	<u>255,313</u>	<u>250,675</u>
Income before fees and depreciation	667,179	605,246
Fee per net ton	(180,074)	(183,442)
Panamanian Treasury (Tesoro Nacional) – public service fees	(912)	(912)
Depreciation	<u>(32,609)</u>	<u>(34,900)</u>
Net income	<u>B/. 453,584</u>	<u>B/. 385,992</u>



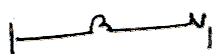
**Panama Canal Authority**  
**Statement of changes in equity – Unaudited**  
**For the six months ended March 31, 2008**  
(In thousands of balboas - at par with US\$)

	<u>Contributed Capital</u>	<u>Retained Earnings</u>		<u>Total equity</u>
		<u>Appropriated</u>	<u>Unappropriated</u>	
<b>Balance as of September 30, 2006</b>	B/. 1,904,540	B/. 1,154,918	B/. 315,332	B/. 3,374,790
Transfer to Panamanian Treasury	-	-	(315,332)	(315,332)
Net income	-	-	385,992	385,992
Contributions to the investment program	-	146,765	(26,994)	119,771
Increase in equity reserves	-	30,248	(30,248)	-
Decrease in equity reserves	-	(119,930)	159	(119,771)
Properties transferred to PCA	<u>69</u>	<u>-</u>	<u>-</u>	<u>69</u>
<b>Balance as of March 31, 2007</b>	1,904,609	1,212,001	328,909	3,445,519
Net income	-	-	420,655	420,655
Contributions to the investment program	-	201,809	(201,809)	-
Increase in equity reserves	-	77,161	(77,161)	-
Decrease in equity reserves	-	(15,820)	15,820	-
Properties transferred to PCA	<u>359</u>	<u>-</u>	<u>-</u>	<u>359</u>
<b>Balance as of September 30, 2007</b>	1,904,968	1,475,151	486,414	3,866,533
Transfer to Panamanian Treasury	-	-	(486,414)	(486,414)
Net income	-	-	453,584	453,584
Contributions to the investment program	-	315,361	(315,361)	-
Increase in equity reserves	<u>-</u>	<u>28,003</u>	<u>(28,003)</u>	<u>-</u>
<b>Balance as of March 31, 2008</b>	<u>B/. 1,904,968</u>	<u>B/. 1,818,515</u>	<u>B/. 110,220</u>	<u>B/. 3,833,703</u>



**Panama Canal Authority**  
**Cash flows statement – Unaudited**  
**For the six months ended March 31, 2008**  
(In thousands of balboas - at par with US\$)

	<b>2008</b>	<b>2007</b>
<b>Cash flows from operating activities:</b>		
Net income	B/. 453,584	B/. 385,992
Adjustments for:		
Depreciation	31,557	33,813
Loss on disposal of fixed asset	72	124
Provision for obsolete inventory	400	848
Provision for marine accident claims	4,066	804
Changes in operating assets and liabilities:		
Accounts receivable	1,869	(986)
Inventories	573	130
Accumulated interest receivable and other assets	(470)	(421)
Current liabilities	<u>6,722</u>	<u>(29,161)</u>
<b>Net cash provided by operating activities</b>	<u>498,373</u>	<u>391,143</u>
<b>Cash flows from investing activities:</b>		
Net increase of fixed asset	(86,725)	(35,394)
Net decrease in investments	167,163	163,608
Net increase in time deposits, over 90 days	<u>(124,007)</u>	<u>(257,901)</u>
<b>Net cash used in investing activities</b>	<u>(43,569)</u>	<u>(129,687)</u>
<b>Cash flows from financing activities:</b>		
Transfer to Panamanian Treasury	<u>(486,414)</u>	<u>(315,332)</u>
Net decrease in cash and bank deposits	(31,610)	(53,876)
Cash and bank deposits at beginning of the period	<u>242,479</u>	<u>103,739</u>
Cash and bank deposits at end of the period	<u>B/. 210,869</u>	<u>B/. 49,863</u>
<b>Investing activities that did not represent cash outflows</b>		
Properties transferred to PCA	B/. -	B/. (69)
Fixed assets – capitalized depreciation	<u>(1,052)</u>	<u>(1,087)</u>
	<u>B/. (1,052)</u>	<u>B/. (1,156)</u>



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Administration and Finance