



# **Panama Canal Authority**

**Interim Financial Statements – Unaudited  
June 30, 2010  
Quarterly**



**Panama Canal Authority**  
**Balance sheet**  
**June 30, 2010**

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

	<b>June 30, 2010 (unaudited)</b>	<b>September 30, 2009 (audited)</b>
<b>Assets</b>		
Non-current assets:		
Properties, plant and equipment, net	B/. 2,896,711	B/. 2,679,067
Accounts receivable	<u>300,481</u>	<u>481</u>
Total non-current assets	<u>3,197,192</u>	<u>2,679,548</u>
Current assets:		
Cash, cash equivalents, and bank deposits	2,101,323	2,507,390
Investments in securities (held to maturity)	525,616	-
Hedge instrument	24,212	57,457
Accounts receivable	35,899	33,133
Inventories, net	55,943	49,653
Accrued interest receivable and other assets	<u>23,250</u>	<u>7,604</u>
Total current assets	<u>2,766,243</u>	<u>2,655,237</u>
Total assets	<u>B/. 5,963,435</u>	<u>B/. 5,334,785</u>
<b>Equity and liabilities</b>		
Equity:		
Contributed capital	B/. 1,904,968	B/. 1,904,968
Retained earnings:		
Reserved	3,121,659	2,732,554
Unappropriated	350,874	434,120
Adjustment for hedge instrument valuation	<u>(110,229)</u>	<u>6,478</u>
Total equity	<u>5,267,272</u>	<u>5,078,120</u>
Non-current liabilities:		
Financial institutions	300,000	-
Hedge instrument	<u>108,650</u>	<u>-</u>
Total non-current liabilities	<u>408,650</u>	<u>-</u>
Current liabilities:		
Accounts payable	167,997	125,903
Provision for marine accident claims	29,042	32,368
Accrued salaries and vacation pay	79,064	90,755
Hedge instrument	1,962	-
Other liabilities	<u>9,448</u>	<u>7,639</u>
Total current liabilities	<u>287,513</u>	<u>256,665</u>
Total equity and liabilities	<u>B/. 5,963,435</u>	<u>B/. 5,334,785</u>



**Panama Canal Authority**  
**Income statement – Unaudited**  
**For the nine months ended June 30, 2010**  
(In thousands of balboas – at par with US\$)

	<u>2010</u>		<u>2009</u>	
	<u>III Quarter</u>	<u>Nine months</u>	<u>III Quarter</u>	<u>Nine months</u>
<b>Revenues:</b>				
Toll revenues	B/. 356,347	B/. 1,105,075	B/. 366,419	B/. 1,076,407
Vessel-transit-related services	77,453	237,535	89,498	302,194
	<u>433,800</u>	<u>1,342,610</u>	<u>455,917</u>	<u>1,378,601</u>
<b>Other revenues:</b>				
Electric power sales	25,585	91,288	22,662	58,392
Potable water sales	5,686	15,964	5,135	14,920
Interest income	4,483	14,179	5,945	27,904
Miscellaneous	3,419	10,809	2,648	7,771
Total other revenues	<u>39,173</u>	<u>132,240</u>	<u>36,390</u>	<u>108,987</u>
Total revenues	<u>472,973</u>	<u>1,474,850</u>	<u>492,307</u>	<u>1,487,588</u>
<b>Expenses:</b>				
Salaries and wages	88,196	270,094	86,291	262,058
Employee benefits	12,567	38,463	12,387	37,390
Materials and supplies	13,317	36,736	11,441	34,394
Fuel	21,707	75,514	16,150	44,965
Transportation and allowances	448	1,152	224	908
Contracted services and fees	10,046	23,973	10,138	24,061
Insurance	2,583	7,701	946	6,731
Provision for marine accidents	2,728	1,100	(617)	2,009
Provision for obsolete inventory	105	295	150	450
Other expenses	3,518	7,046	3,875	7,696
	<u>155,215</u>	<u>462,074</u>	<u>140,985</u>	<u>420,662</u>
Capitalized labor and materials	<u>(14,027)</u>	<u>(39,899)</u>	<u>(15,032)</u>	<u>(41,487)</u>
Total expenses	<u>141,188</u>	<u>422,175</u>	<u>125,953</u>	<u>379,175</u>
Income before fees and depreciation	331,785	1,052,675	366,354	1,108,413
Fees per net ton	(81,320)	(256,241)	(85,377)	(261,840)
Panamanian Treasury (Tesoro Nacional) – public service fees	(440)	(1,427)	(539)	(1,484)
Depreciation	<u>(18,249)</u>	<u>(55,028)</u>	<u>(17,785)</u>	<u>(53,692)</u>
Net income	<u>B/. 231,776</u>	<u>B/. 739,979</u>	<u>B/. 262,653</u>	<u>B/. 791,397</u>



**Panama Canal Authority**  
**Cash flows statement – Unaudited**  
**For the nine months ended June 30, 2010**  
(In thousands of balboas – at par with US\$)

	2010	2009
<b>Cash flows from operating activities:</b>		
Net income	B/. 739,979	B/. 791,397
Adjustments for:		
Depreciation	54,149	52,675
Loss on disposal of fixed asset	93	1,205
Provision for obsolete inventory	295	450
Provision for marine accidents	1,101	2,009
Hedge instrument valuation	973	-
Changes in operating assets and liabilities:		
Current accounts receivable	(2,765)	9,663
Inventories	(6,585)	(4,104)
Accrued interest receivable and other assets	(15,647)	16,861
Current liabilities	<u>28,775</u>	<u>(14,283)</u>
<b>Net cash provided by operating activities</b>	<u>800,368</u>	<u>855,873</u>
<b>Cash flows from investing activities:</b>		
Net increase of fixed asset	(271,886)	(219,639)
Net (increase) decrease in investments	(525,616)	438,666
Net increase in non-current accounts receivable	(300,000)	-
Net increase in non-current liabilities	300,000	-
Net (decrease) increase in time deposits, over 90 days	603,136	(695,673)
Hedge instrument	<u>25,188</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u>(169,178)</u>	<u>(476,646)</u>
<b>Cash flows from financing activities:</b>		
Transfer to Panamanian Treasury	<u>(434,120)</u>	<u>(343,852)</u>
Net increase in cash and cash equivalents	197,070	35,375
Cash and cash equivalents at beginning of the period	<u>212,225</u>	<u>250,658</u>
Cash and cash equivalents at end of the period	<u>B/. 409,295</u>	<u>B/. 286,033</u>
<b>Investing activities that did not represent cash outflows</b>		
Fixed assets – capitalized depreciation	<u>B/. (879)</u>	<u>B/. (1,017)</u>

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Administration and Finance  
Chief Financial Officer