



Panama Canal Authority

**Interim Financial Statements – Unaudited
December 31, 2009**



Panama Canal Authority

Balance sheet December 31, 2009

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

	December 31, 2009 (unaudited)	September 30, 2009 (audited)
Assets		
Non-current assets:		
Properties, plant and equipment, net	B/. 2,710,649	B/. 2,679,067
Current assets:		
Cash, cash equivalents, and bank deposits	2,184,418	2,507,390
Investments in securities (held to maturity)	99,160	-
Hedge instrument	56,654	57,457
Accounts receivable	32,008	33,614
Inventories, net	48,034	49,653
Accrued interest receivable and other assets	5,911	7,604
Total current assets	2,426,185	2,655,718
Total assets	B/. 5,136,834	B/. 5,334,785
Equity and liabilities		
Equity:		
Contributed capital	B/. 1,904,968	B/. 1,904,968
Retained earnings:		
Appropriated	2,862,255	2,732,554
Unappropriated	137,250	434,120
Adjustment for hedge instrument valuation	5,463	6,478
Total equity	4,909,936	5,078,120
Current liabilities:		
Accounts payable	106,275	125,903
Provision for marine accident claims	32,039	32,368
Accrued salaries and vacation pay	76,074	90,755
Other liabilities	12,510	7,639
Total current liabilities	226,898	256,665
Total equity and liabilities	B/. 5,136,834	B/. 5,334,785



Panama Canal Authority

Income statement – Unaudited For the three months ended December 31, 2009 (In thousands of balboas – at par with US\$)

	2009	2008
Revenues:		
Toll revenues	B/. 388,895	B/. 361,074
Vessel-transit-related services	<u>82,136</u>	<u>109,368</u>
	471,031	470,442
Other revenues:		
Electric power sales	33,160	17,334
Potable water sales	5,155	4,890
Interest income	5,279	13,735
Miscellaneous	<u>4,476</u>	<u>2,574</u>
Total other revenues	<u>48,070</u>	<u>38,533</u>
Total revenues	<u>519,101</u>	<u>508,975</u>
Expenses:		
Salaries and wages	93,039	92,042
Employee benefits	14,270	13,859
Materials and supplies	11,750	11,176
Fuel	23,108	15,765
Transportation and allowances	401	370
Contracted services and fees	5,674	4,975
Insurance	2,585	2,698
Provision for marine accidents	(99)	300
Provision for obsolete inventory	90	150
Other expenses	<u>1,470</u>	<u>1,246</u>
	152,288	142,581
Capitalized labor and materials	<u>(10,477)</u>	<u>(12,827)</u>
Total expenses	<u>141,811</u>	<u>129,754</u>
Income before fees and depreciation	377,290	379,221
Fees per net ton	(91,313)	(89,634)
Panamanian Treasury (Tesoro Nacional) – public service fees	(515)	(447)
Depreciation	<u>(18,511)</u>	<u>(17,941)</u>
Net income	<u>B/. 266,951</u>	<u>B/. 271,199</u>



Panama Canal Authority
Cash flows statement – Unaudited
For the three months ended December 31, 2009
(In thousands of balboas – at par with US\$)

	2009	2008
Cash flows from operating activities:		
Net income	B/. 266,951	B/. 271,199
Adjustments for:		
Depreciation	18,210	17,624
Loss on disposal of fixed asset	-	2
Provision for obsolete inventory	90	150
Provision for marine accidents	(99)	300
Changes in operating assets and liabilities:		
Accounts receivable	1,606	16,485
Inventories	1,529	(2,060)
Accrued interest receivable and other assets	1,693	2,704
Current liabilities	<u>(29,668)</u>	<u>(20,906)</u>
Net cash provided by operating activities	<u>260,312</u>	<u>285,498</u>
Cash flows from investing activities:		
Net increase of fixed asset	(49,791)	(57,669)
Net (increase) decrease in investments	(99,160)	157,307
Net decrease in time deposits, over 90 days	768,165	631,577
Net decrease in hedge instrument	<u>(212)</u>	<u>-</u>
Net cash used in investing activities	<u>619,002</u>	<u>731,215</u>
Cash flows from financing activities:		
Transfer to Panamanian Treasury	<u>(434,120)</u>	<u>(343,852)</u>
Net increase in cash and cash equivalents	445,194	672,861
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/. 657,419</u>	<u>B/. 923,519</u>
Investing activities that did not represent cash outflows		
Fixed assets – capitalized depreciation	<u>B/. (301)</u>	<u>B/. (317)</u>

Francisco J. Miguez P.
 Executive Vicepresident
 Administration and Finance
 Chief Financial Officer