



# **Panama Canal Authority**

**Interim Financial Statements – Unaudited  
September 30, 2010**



**Panama Canal Authority**  
**Balance sheet**  
**September 30, 2010**  
(In thousands of balboas – at par with US\$)

	<b>September 30, 2010 (unaudited)</b>	<b>September 30, 2009 (audited)</b>
<b>Assets</b>		
Non-current assets:		
Properties, plant and equipment, net	B/. 3,073,853	B/. 2,679,067
Accounts receivable	<u>400,481</u>	<u>481</u>
Total non-current assets	<u>3,474,334</u>	<u>2,679,548</u>
Current assets:		
Cash, cash equivalents, and bank deposits	2,119,074	2,507,390
Investments in securities (held to maturity)	545,103	-
Hedge instrument	16,158	57,457
Accounts receivable	33,476	33,133
Inventories, net	61,041	49,653
Accrued interest receivable and other assets	<u>22,617</u>	<u>7,604</u>
Total current assets	<u>2,797,469</u>	<u>2,655,237</u>
Total assets	<u>B/. 6,271,803</u>	<u>B/. 5,334,785</u>
<b>Equity and liabilities</b>		
Equity:		
Contributed capital	B/. 1,904,473	B/. 1,904,968
Retained earnings:		
Reserved	3,225,942	2,732,554
Unappropriated	470,603	434,120
Adjustment for hedge instrument valuation	<u>(150,226)</u>	<u>6,478</u>
Total equity	<u>5,450,792</u>	<u>5,078,120</u>
Non-current liabilities:		
Financial institutions	300,000	-
Hedge instrument	<u>150,871</u>	<u>-</u>
Total non-current liabilities	<u>450,871</u>	<u>-</u>
Current liabilities:		
Accounts payable	221,345	125,903
Provision for marine accident claims	32,693	32,368
Accrued salaries and vacation pay	107,918	90,755
Hedge instrument	3,056	-
Other liabilities	<u>5,128</u>	<u>7,639</u>
Total current liabilities	<u>370,140</u>	<u>256,665</u>
Total equity and liabilities	<u>B/. 6,271,803</u>	<u>B/. 5,334,785</u>



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

	2010 (unaudited)		2009 (audited)	
	IV Quarter	Twelve months	IV Quarter	Twelve months
Revenues:				
Toll revenues	B/. 377,012	B/. 1,482,087	B/. 361,768	B/. 1,438,175
Vessel-transit-related services	82,197	319,732	77,030	379,224
	459,209	1,801,819	438,798	1,817,399
Other revenues:				
Electric power sales	21,398	112,686	21,071	79,463
Potable water sales	6,570	22,534	5,327	20,247
Interest income	3,793	17,972	4,885	32,789
Miscellaneous	6,284	17,093	4,367	12,138
Total other revenues	38,045	170,285	35,650	144,637
Total revenues	497,254	1,972,104	474,448	1,962,036
Expenses:				
Salaries and wages	115,474	385,568	97,127	359,185
Employee benefits	12,960	51,423	12,271	49,661
Materials and supplies	14,306	51,042	17,202	51,596
Fuel	18,736	94,250	16,036	61,001
Transportation and allowances	562	1,714	425	1,333
Contracted services and fees	13,153	37,126	16,828	40,889
Insurance	1,119	8,820	4,410	11,141
Provision for marine accidents	3,943	5,043	5,401	7,410
Provision for obsolete inventory	(48)	247	140	590
Other expenses	2,976	10,022	6,542	14,238
	183,181	645,255	176,382	597,044
Capitalized labor and materials	(15,904)	(55,803)	(20,148)	(61,635)
Total expenses	167,277	589,452	156,234	535,409
Income before fees and depreciation	329,977	1,382,652	318,214	1,426,627
Fees per net ton	(85,979)	(342,220)	(82,480)	(344,320)
Panamanian Treasury (Tesoro Nacional) – public service fees	(429)	(1,856)	(480)	(1,964)
Depreciation	(19,557)	(74,585)	(19,738)	(73,430)
Net income	B/. 224,012	B/. 963,991	B/. 215,516	B/. 1,006,913



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

	<b>2010</b>	<b>2009</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Cash flows from operating activities:</b>		
Net income	B/. 963,991	B/. 1,006,913
Adjustments for:		
Depreciation	73,641	71,990
Loss on disposal of fixed asset	573	2,292
Provision for obsolete inventory	247	590
Provision for marine accidents	5,044	7,410
Changes in operating assets and liabilities:		
(Increase) decrease in current accounts receivable	(343)	1,818
Increase in inventories	(11,635)	(10,382)
(Increase) decrease in accrued interest receivable and other assets	(15,013)	14,775
Current liabilities	<u>108,431</u>	<u>(1,880)</u>
<b>Net cash provided by operating activities</b>	<u>1,124,936</u>	<u>1,093,526</u>
<b>Cash flows from investing activities:</b>		
Net increase of fixed asset	(469,495)	(314,639)
Net (increase) decrease in investments	(545,103)	470,426
Net increase in non-current accounts receivable	(400,000)	(240)
Net (decrease) increase in time deposits, over 90 days	369,036	(892,675)
Hedge instrument	<u>35,466</u>	<u>(50,979)</u>
<b>Net cash used in investing activities</b>	<u>(1,010,096)</u>	<u>(788,107)</u>
<b>Cash flows from financing activities:</b>		
Increase in non-current liabilities	300,000	-
Transfer to Panamanian Treasury	<u>(434,120)</u>	<u>(343,852)</u>
<b>Net cash used in financing activities</b>	<u>(134,120)</u>	<u>(343,852)</u>
Net decrease in cash and cash equivalents	(19,280)	(38,433)
Cash and cash equivalents at beginning of the year	<u>212,225</u>	<u>250,658</u>
Cash and cash equivalents at end of the year	<u>B/. 192,945</u>	<u>B/. 212,225</u>
<b>Investing activities that did not represent cash outflows</b>		
Fixed assets – capitalized depreciation	B/. (944)	B/. (1,440)
Properties received from the Republic of Panama	3,432	-
Properties transferred to the Republic of Panama	<u>(3,927)</u>	<u>-</u>
	<u>B/. (1,439)</u>	<u>B/. (1,440)</u>

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