



# **Panama Canal Authority**

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



## Panama Canal Authority

### Balance sheet December 31, 2008 (In thousands of balboas – at par with US\$)

|   | December 31,<br>2008<br>(unaudited) | September 30,<br>2008<br>(audited) |
|---|-------------------------------------|------------------------------------|
| <b>Assets</b>                                   |                                     |                                    |
| Non-current assets:                             |                                     |                                    |
| Properties, plant and equipment, net            | B/. 2,478,751                       | B/. 2,438,710                      |
| Current assets:                                 |                                     |                                    |
| Cash and bank deposits                          | 1,694,432                           | 1,653,148                          |
| Investments in securities                       | 313,119                             | 470,426                            |
| Accounts receivable                             | 18,707                              | 35,192                             |
| Inventories, net                                | 41,772                              | 39,861                             |
| Accrued interest receivable<br>and other assets | <u>19,675</u>                       | <u>22,379</u>                      |
| Total current assets                            | <u>2,087,705</u>                    | <u>2,221,006</u>                   |
| Total assets                                    | <u>B/. 4,566,456</u>                | <u>B/. 4,659,716</u>               |
| <b>Equity and liabilities</b>                   |                                     |                                    |
| Equity:   |                                     |                                    |
| Contributed capital                             | B/. 1,904,968                       | B/. 1,904,968                      |
| Retained earnings:                              |                                     |                                    |
| Appropriated                                    | 2,312,541                           | 2,159,761                          |
| Unappropriated                                  | <u>118,419</u>                      | <u>343,852</u>                     |
| Total equity                                    | <u>4,335,928</u>                    | <u>4,408,581</u>                   |
| Current liabilities:                            |                                     |                                    |
| Accounts payable                                | 113,786                             | 119,358                            |
| Provision for marine accident claims            | 27,276                              | 27,474                             |
| Accrued salaries and vacation pay               | 74,409                              | 90,535                             |
| Other liabilities                               | <u>15,057</u>                       | <u>13,768</u>                      |
| Total current liabilities                       | <u>230,528</u>                      | <u>251,135</u>                     |
| Total equity and liabilities                    | <u>B/. 4,566,456</u>                | <u>B/. 4,659,716</u>               |



## Panama Canal Authority

### Income statement - Unaudited For the three months ended December 31, 2008 (In thousands of balboas – at par with US\$)

|   | 2008               | 2007               |
|---|--------------------|--------------------|
| Revenues:   |                    |                    |
| Toll revenues   | B/. 361,074        | B/. 319,328        |
| Vessel-transit-related services                             | <u>109,368</u>     | <u>87,292</u>      |
|   | 470,442            | 406,620            |
| Other revenues:   |                    |                    |
| Electric power sales  | 17,334             | 17,442             |
| Potable water sales   | 4,890              | 4,946              |
| Interest income   | 13,735             | 23,495             |
| Miscellaneous   | <u>2,574</u>       | <u>2,261</u>       |
| Total other revenues  | <u>38,533</u>      | <u>48,144</u>      |
| Total revenues  | <u>508,975</u>     | <u>454,764</u>     |
| Expenses:   |                    |                    |
| Salaries and wages  | 92,042             | 88,830             |
| Employee benefits   | 13,859             | 12,480             |
| Materials and supplies                                      | 11,176             | 6,794              |
| Fuel  | 15,765             | 14,492             |
| Transportation and allowances                               | 370                | 313                |
| Contracted services and fees                                | 4,975              | 4,994              |
| Insurance   | 2,698              | 2,578              |
| Provision for marine accidents                              | 300                | 3,548              |
| Provision for obsolete inventory                            | 150                | 190                |
| Other expenses  | <u>1,246</u>       | <u>1,380</u>       |
|   | 142,581            | 135,599            |
| Capitalized labor and materials                             | <u>(12,827)</u>    | <u>(9,321)</u>     |
| Total expenses  | <u>129,754</u>     | <u>126,278</u>     |
| Income before fees and depreciation                         | 379,221            | 328,486            |
| Fees per net ton  | (89,634)           | (90,770)           |
| Panamanian Treasury (Tesoro Nacional) – public service fees | (447)              | (457)              |
| Depreciation  | <u>(17,941)</u>    | <u>(16,336)</u>    |
| Net income  | <u>B/. 271,199</u> | <u>B/. 220,923</u> |



**Panama Canal Authority**  
**Cash flows statement - Unaudited**  
**For the three months ended December 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/. 271,199        | B/. 220,923        |
| Adjustments for:   |                    |                    |
| Depreciation   | 17,624             | 16,068             |
| Loss on disposal of fixed asset                                  | 2                  | 47                 |
| Provision for obsolete inventory                                 | 150                | 190                |
| Provision for marine accident                                    | 300                | 3,548              |
| Changes in operating assets and liabilities:                     |                    |                    |
| Accounts receivable  | 16,485             | 15,977             |
| Inventories  | (2,060)            | (4,093)            |
| Accrued interest receivable and other assets                     | 2,704              | 831                |
| Current liabilities  | <u>(20,906)</u>    | <u>(3,751)</u>     |
| <b>Net cash provided by operating activities</b>                 | <u>285,498</u>     | <u>249,740</u>     |
| <b>Cash flows from investing activities:</b>                     |                    |                    |
| Net increase of fixed asset                                      | (57,669)           | (26,354)           |
| Net decrease in investments                                      | 157,307            | 126,054            |
| Net decrease in time deposits, over 90 days                      | <u>631,577</u>     | <u>524,985</u>     |
| <b>Net cash provided by investing activities</b>                 | <u>731,215</u>     | <u>624,685</u>     |
| <b>Cash flows from financing activities:</b>                     |                    |                    |
| Transfer to Panamanian Treasury                                  | <u>(343,852)</u>   | <u>(413,414)</u>   |
| Net increase in cash and bank deposits                           | 672,861            | 461,011            |
| Cash and bank deposits at beginning of the period                | <u>250,658</u>     | <u>242,479</u>     |
| Cash and bank deposits at end of the period                      | <u>B/. 923,519</u> | <u>B/. 703,490</u> |
| <b>Investing activities that did not represent cash outflows</b> |                    |                    |
| Fixed assets – capitalized depreciation                          | <u>317</u>         | <u>268</u>         |
|  | <u>B/. 317</u>     | <u>B/. 268</u>     |

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 José Barrios Ng  
 Chief Financial Officer