



Panama Canal Authority

**Interim Financial Statements – Unaudited
March 31, 2010
Quarterly**



Panama Canal Authority
Balance sheet
March 31, 2010
(In thousands of balboas – at par with US\$)

	March 31, 2010 (unaudited)	September 30, 2009 (audited)
Assets		
Non-current assets:		
Properties, plant and equipment, net	B/. 2,795,452	B/. 2,679,067
Accounts receivable	<u>300,481</u>	<u>481</u>
Total non-current assets	<u>3,095,933</u>	<u>2,679,548</u>
Current assets:		
Cash, cash equivalents, and bank deposits	2,132,326	2,507,390
Investments in securities (held to maturity)	318,827	-
Hedge instrument	53,270	57,457
Accounts receivable	36,759	33,133
Inventories, net	54,128	49,653
Accrued interest receivable and other assets	<u>18,844</u>	<u>7,604</u>
Total current assets	<u>2,614,154</u>	<u>2,655,237</u>
Total assets	<u>B/. 5,710,087</u>	<u>B/. 5,334,785</u>
Equity and liabilities		
Equity:		
Contributed capital	B/. 1,904,968	B/. 1,904,968
Retained earnings:		
Reserved	2,991,957	2,732,554
Unappropriated	248,800	434,120
Adjustment for hedge instrument valuation	<u>(14,978)</u>	<u>6,478</u>
Total equity	<u>5,130,747</u>	<u>5,078,120</u>
Non-current liabilities:		
Financial institutions	300,000	-
Interest rate swap derivative	<u>17,001</u>	<u>-</u>
Total non-current liabilities	<u>317,001</u>	<u>-</u>
Current liabilities:		
Accounts payable	152,238	125,903
Provision for marine accident claims	26,949	32,368
Accrued salaries and vacation pay	71,971	90,755
Other liabilities	<u>11,181</u>	<u>7,639</u>
Total current liabilities	<u>262,339</u>	<u>256,665</u>
Total equity and liabilities	<u>B/. 5,710,087</u>	<u>B/. 5,334,785</u>



Panama Canal Authority
Income statement – Unaudited
For the six months ended March 31, 2010
(In thousands of balboas – at par with US\$)

	<u>2010</u>		<u>2009</u>	
	<u>II Quarter</u>	<u>Six months</u>	<u>II Quarter</u>	<u>Six months</u>
Revenues:				
Toll revenues	B/. 359,833	B/. 748,728	B/. 348,914	B/. 709,988
Vessel-transit-related services	77,946	160,082	103,328	212,696
	<u>437,779</u>	<u>908,810</u>	<u>452,242</u>	<u>922,684</u>
Other revenues:				
Electric power sales	32,543	65,703	18,396	35,730
Potable water sales	5,123	10,278	4,895	9,785
Interest income	4,417	9,696	8,224	21,959
Miscellaneous	2,914	7,390	2,549	5,123
Total other revenues	<u>44,997</u>	<u>93,067</u>	<u>34,064</u>	<u>72,597</u>
Total revenues	<u>482,776</u>	<u>1,001,877</u>	<u>486,306</u>	<u>995,281</u>
Expenses:				
Salaries and wages	88,859	181,898	83,725	175,767
Employee benefits	11,626	25,896	11,144	25,003
Materials and supplies	11,669	23,419	11,777	22,953
Fuel	30,699	53,807	13,050	28,815
Transportation and allowances	303	704	314	684
Contracted services and fees	8,253	13,927	8,948	13,923
Insurance	2,533	5,118	3,087	5,785
Provision for marine accidents	(1,529)	(1,628)	2,326	2,626
Provision for obsolete inventory	100	190	150	300
Other expenses	2,058	3,528	2,575	3,821
	<u>154,571</u>	<u>306,859</u>	<u>137,096</u>	<u>279,677</u>
Capitalized labor and materials	<u>(15,395)</u>	<u>(25,872)</u>	<u>(13,628)</u>	<u>(26,455)</u>
Total expenses	<u>139,176</u>	<u>280,987</u>	<u>123,468</u>	<u>253,222</u>
Income before fees and depreciation	343,600	720,890	362,838	742,059
Fees per net ton	(83,608)	(174,921)	(86,829)	(176,463)
Panamanian Treasury (Tesoro Nacional) – public service fees	(472)	(987)	(498)	(945)
Depreciation	<u>(18,268)</u>	<u>(36,779)</u>	<u>(17,966)</u>	<u>(35,907)</u>
Net income	<u>B/. 241,252</u>	<u>B/. 508,203</u>	<u>B/. 257,545</u>	<u>B/. 528,744</u>



Panama Canal Authority
Cash flows statement – Unaudited
For the six months ended March 31, 2010
(In thousands of balboas – at par with US\$)

	2010	2009
Cash flows from operating activities:		
Net income	B/. 508,203	B/. 528,744
Adjustments for:		
* Depreciation	36,098	35,295
Loss on disposal of fixed asset	2	24
Provision for obsolete inventory	190	300
Provision for marine accidents	(1,628)	2,626
Changes in operating assets and liabilities:		
Current accounts receivable	(3,626)	7,676
Inventories	(4,665)	(1,996)
Accrued interest receivable and other assets	(11,240)	5,323
Current liabilities	<u>7,302</u>	<u>(8,474)</u>
Net cash provided by operating activities	<u>530,636</u>	<u>569,518</u>
Cash flows from investing activities:		
Net increase of fixed asset	(152,485)	(139,369)
Net (increase) decrease in investments	(318,827)	299,394
Net increase in non-current accounts receivable	(300,000)	(240)
Net increase in non-current liabilities	317,001	-
Net decrease in time deposits, over 90 days	529,134	510,421
Hedge instrument	<u>(17,269)</u>	<u>-</u>
Net cash used in investing activities	<u>57,554</u>	<u>670,206</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	154,070	895,872
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/. 366,295</u>	<u>B/. 1,146,530</u>
Investing activities that did not represent cash outflows		
Fixed assets – capitalized depreciation	<u>B/. (681)</u>	<u>B/. (612)</u>

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