

APPENDIX 3.2
(referred to in paragraph 3.30)

Air Canada: balance sheets, 1995 to 1999

C\$ million

	<i>As at 31 December</i>				
	1995	1996	1997	1998	1999
<i>Assets</i>					
Cash and short-term investments	775	455	650	366	521
Accounts receivable	408	390	467	405	443
Spare parts, materials and supplies	176	197	225	258	228
Prepaid expenses	23	20	17	21	18
Deferred income taxes	-	-	35	42	48
	<u>1,382</u>	<u>1,062</u>	<u>1,394</u>	<u>1,092</u>	<u>1,258</u>
Property and equipment	2,751	2,819	2,817	3,243	3,220
Deferred charges	905	1,060	1,447	1,722	1,900
Investments and other assets	359	445	333	365	327
	<u>5,397</u>	<u>5,386</u>	<u>5,991</u>	<u>6,422</u>	<u>6,705</u>
<i>Liabilities</i>					
Accounts payable and accrued liabilities	591	615	668	840	942
Advance ticket sales	215	270	400	360	349
Current portion of long-term debt	710	226	71	79	114
	<u>1,516</u>	<u>1,111</u>	<u>1,139</u>	<u>1,279</u>	<u>1,405</u>
Long-term debt	2,642	2,847	2,739	2,917	3,182
Other long-term liabilities	114	122	218	279	311
Deferred credits	292	321	460	490	1,082
	<u>4,564</u>	<u>4,401</u>	<u>4,556</u>	<u>4,965</u>	<u>5,980</u>
<i>Convertible debentures and shareholders' equity</i>					
Convertible debentures	171	186	201	-	-
Share capital	1,054	1,056	1,063	1,305	975
Reserves	(392)	(257)	171	152	(250)
	<u>833</u>	<u>985</u>	<u>1,435</u>	<u>1,457</u>	<u>725</u>
	<u>5,397</u>	<u>5,386</u>	<u>5,991</u>	<u>6,422</u>	<u>6,705</u>
<i>Capital employed calculation</i>					
Net assets	662	799	1,234	1,457	725
Less:					
Cash and short-term investments	(775)	(455)	(650)	(366)	(521)
Deferred income taxes	-	-	(35)	(42)	(48)
Deferred charges	(905)	(1,060)	(1,447)	(1,722)	(1,900)
Investments and other assets	(359)	(445)	(333)	(365)	(327)
Plus:					
Long-term debt	3,352	3,073	2,810	2,996	3,296
Other long-term liabilities	114	122	218	279	311
Deferred credits	292	321	460	490	1,082
Convertible debentures	<u>171</u>	<u>186</u>	<u>201</u>	<u>-</u>	<u>-</u>
Capital employed	2,552	2,541	2,458	2,727	2,618

Source: Air Canada published accounts.