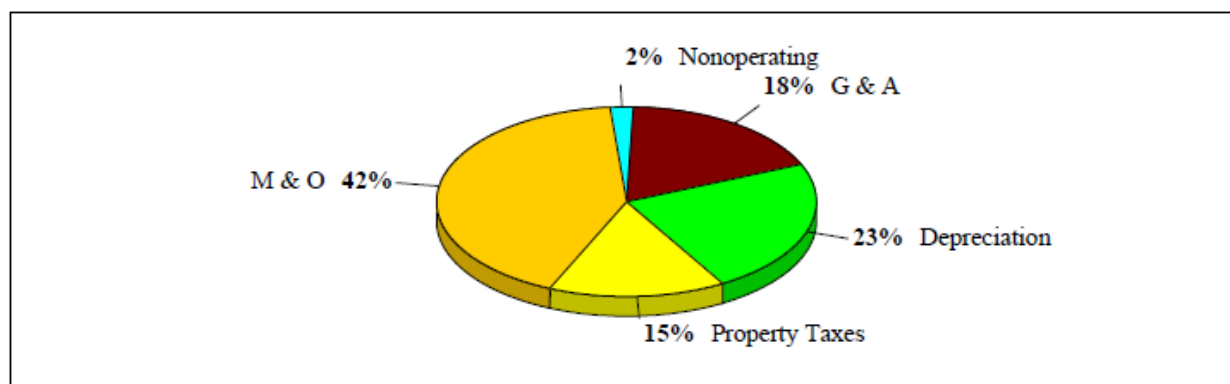


Port of Houston Authority 2012 Expenses (\$000's)

	2012	2011 As Restated	2010 As Restated
Operating expenses:			
Maintenance and operations of facilities	101,095	97,461	95,918
General and administrative	43,875	39,894	51,742
Depreciation and amortization	56,551	55,661	53,731
Nonoperating expenses:			
Contribution to federal and state agencies	882	1,232	1,742
Loss on Disposal of Assets	3,295	-	3,294
Other, net	98	-	-
Nonoperating expenses related to property taxes:			
Interest expense on unlimited tax bonds	33,803	36,843	34,265
Property tax expense	1,091	996	1,270
Other, net	442	525	480
Total Expenses	241,132	232,612	242,442



In 2012, expenses for maintenance and operation of facilities increased by \$3.6 million (4%) to \$101.1 million from 2011. The majority of the increase was due to start-up costs associated with two new cruise lines and other maintenance expenses.

General and administrative expenses increased by \$4.0 million (10%) from 2011. This is primarily due to lower allocations to the operational departments.