



CANAL DE PANAMÁ

Panama Canal Authority

**Interim Financial Statements – Unaudited
March 31, 2011
II Quarter**



Panama Canal Authority
Balance sheet
March 31, 2011
(In thousands of balboas – at par with US\$)

	March 31, 2011 (unaudited)	September 30, 2010 (audited)
Assets		
Non-current assets:		
Properties, plant and equipment, net	3,470,987	3,073,853
Accounts receivable	617,646	400,481
Total non-current assets	4,088,633	3,474,334
Current assets:		
Cash, cash equivalents, and bank deposits	2,039,708	2,119,074
Investments in securities (held to maturity)	531,654	545,103
Hedge instrument	7,245	16,158
Accounts receivable	35,878	33,476
Inventories, net	57,375	61,041
Accrued interest receivable and other assets	34,686	22,617
Total current assets	2,706,546	2,797,469
Total assets	6,795,179	6,271,803
Equity and liabilities		
Equity:		
Contributed capital	1,904,473	1,904,473
Retained earnings:		
Reserved	3,515,868	3,225,942
Unappropriated	352,096	470,603
Adjustment for hedge instrument valuation	(48,218)	(150,226)
Total equity	5,724,219	5,450,792
Non-current liabilities:		
Financial institutions	600,000	300,000
Hedge instrument	65,953	150,871
Total non-current liabilities	665,953	450,871
Current liabilities:		
Accounts payable	273,135	221,345
Provision for marine accident claims	34,369	32,693
Accrued salaries and vacation pay	82,997	107,918
Hedge instrument	7,980	3,056
Other liabilities	6,526	5,128
Total current liabilities	405,007	370,140
Total equity and liabilities	6,795,179	6,271,803



Panama Canal Authority
Income statement – Unaudited
For the six months ended March 31, 2011
(In thousands of balboas – at par with US\$)

	2011		2010	
	<u>II Quarter</u>	<u>Six months</u>	<u>II Quarter</u>	<u>Six months</u>
Revenues:				
Toll revenues	456,194	873,908	359,833	748,728
Vessel-transit-related services	107,315	215,713	77,946	160,082
	<u>563,509</u>	<u>1,089,621</u>	<u>437,779</u>	<u>908,810</u>
Other revenues:				
Electric power sales	23,774	44,679	32,543	65,703
Potable water sales	6,022	12,336	5,123	10,278
Interest income	5,210	11,160	4,417	9,696
Miscellaneous	4,083	6,559	2,914	7,390
Total other revenues	<u>39,089</u>	<u>74,734</u>	<u>44,997</u>	<u>93,067</u>
Total revenues	<u>602,598</u>	<u>1,164,355</u>	<u>482,776</u>	<u>1,001,877</u>
Expenses:				
Salaries and wages	99,168	204,542	88,859	181,898
Employee benefits	13,357	29,632	11,626	25,896
Materials and supplies	13,449	23,122	11,669	23,419
Fuel	19,138	33,226	30,699	53,807
Transportation and allowances	435	995	303	704
Contracted services and fees	10,748	18,486	8,253	13,927
Insurance	2,502	4,839	2,533	5,118
Provision for marine accidents	2,818	4,676	(1,529)	(1,628)
Provision for obsolete inventory	99	198	100	190
Depreciación	18,998	37,994	18,268	36,779
Other expenses	3,874	5,402	2,058	3,528
	<u>184,586</u>	<u>363,112</u>	<u>172,839</u>	<u>343,638</u>
Capitalized labor and materials	<u>(17,668)</u>	<u>(34,474)</u>	<u>(15,395)</u>	<u>(25,872)</u>
Total expenses	<u>166,918</u>	<u>328,638</u>	<u>157,444</u>	<u>317,766</u>
Income before fees and depreciation	435,680	835,717	325,332	684,111
Fees per net ton	(95,704)	(192,751)	(83,608)	(174,921)
Panamanian Treasury (Tesoro Nacional) – public service fees	<u>(515)</u>	<u>(944)</u>	<u>(472)</u>	<u>(987)</u>
Net income	<u>339,461</u>	<u>642,022</u>	<u>241,252</u>	<u>508,203</u>



Panama Canal Authority
Cash flows statement – Unaudited
For the six months ended March 31, 2011
(In thousands of balboas – at par with US\$)

	2011	2010
Cash flows from operating activities:		
Net income	642,022	508,203
Depreciation	37,242	36,098
Loss on disposal of fixed asset	585	2
Provision for obsolete inventory	198	190
Provision for marine accidents	4,676	(1,628)
Changes in working capital:		
Current accounts receivables	(2,402)	(3,626)
Inventories	3,469	(4,665)
Accrued interest receivable and other assets	(12,069)	(11,240)
Current liabilities	30,190	7,302
Net cash provided by operating activities	703,911	530,636
Cash flows from investing activities:		
Net increase of fixed assets	(434,961)	(152,485)
Net (increase) decrease in investments	13,449	(318,827)
Net increase in non-current accounts receivable	(200,000)	(300,000)
Net decrease in time deposits, over 90 days	403,936	529,134
Hedge instrument	8,838	(17,269)
Net cash used in investing activities	(208,738)	(259,447)
Cash flows from financing activities:		
Net increase in non-current liabilities	300,000	317,001
Transfer to Panamanian Treasury	(470,603)	(434,120)
Net cash (used in)/provided by financing activities	(170,603)	(117,119)
Net increase in cash and cash equivalents	324,570	154,070
Cash and cash equivalents at beginning of the period	192,945	212,225
Cash and cash equivalents at the end of the period	517,515	366,295
Investing activities that did not represent cash outflows		
Fixed assets - capitalized depreciation	(752)	(681)

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