



CANAL DE PANAMÁ

Panama Canal Authority

**Interim Financial Statements – Unaudited
June 30, 2011
III Quarter**



Panama Canal Authority
Statement of financial position
June 30, 2011
(In thousands of balboas – at par with US\$)

	June 30, 2011 (unaudited)	September 30, 2010 (audited)
Assets		
Non-current assets:		
Properties, plant and equipment, net	3,659,607	3,073,853
Accounts receivable	<u>609,670</u>	<u>400,481</u>
Total non-current assets	<u>4,269,277</u>	<u>3,474,334</u>
Current assets:		
Inventories, net	64,733	61,041
Trade and other receivables	47,486	33,476
Other financial assets	536,725	561,261
Accrued interest receivable and other assets	30,211	22,617
Cash and bank deposits	<u>2,416,061</u>	<u>2,119,074</u>
Total current assets	<u>3,095,216</u>	<u>2,797,469</u>
Total assets	<u><u>7,364,493</u></u>	<u><u>6,271,803</u></u>
Equity and liabilities		
Equity:		
Contributed capital	1,904,473	1,904,473
Reserves	3,660,831	3,225,942
Other equity accounts – cash flow hedge	(81,905)	(150,226)
Unappropriated retained earnings	<u>517,669</u>	<u>470,603</u>
Total equity	<u>6,001,068</u>	<u>5,450,792</u>
Non-current liabilities:		
Borrowings	900,000	300,000
Other financial liabilities	<u>92,874</u>	<u>150,871</u>
Total non-current liabilities	<u>992,874</u>	<u>450,871</u>
Current liabilities:		
Trade and other payables	240,277	221,345
Provision for marine accident claims	32,613	32,693
Accrued salaries and vacation payable	84,243	107,918
Other financial liabilities	4,251	3,056
Other liabilities	<u>9,167</u>	<u>5,128</u>
Total current liabilities	<u>370,551</u>	<u>370,140</u>
Total equity and liabilities	<u><u>7,364,493</u></u>	<u><u>6,271,803</u></u>



Panama Canal Authority
Income statement – Unaudited
For the nine months ended June 30, 2011
(In thousands of balboas – at par with US\$)

	2011		2010	
	<u>III Quarter</u>	<u>Nine months</u>	<u>III Quarter</u>	<u>Nine months</u>
Revenues:				
Toll revenues	431,128	1,305,036	356,347	1,105,075
Other Canal transit services	93,525	309,238	77,453	237,535
	<u>524,653</u>	<u>1,614,274</u>	<u>433,800</u>	<u>1,342,610</u>
Other revenues:				
Electric power sales	33,926	78,605	25,585	91,288
Potable water sales	6,516	18,852	5,686	15,964
Interest income	5,308	16,468	4,483	14,179
Miscellaneous	4,141	10,700	3,419	10,809
Total other revenues	<u>49,891</u>	<u>124,625</u>	<u>39,173</u>	<u>132,240</u>
Total revenues	<u>574,544</u>	<u>1,738,899</u>	<u>472,973</u>	<u>1,474,850</u>
Expenses:				
Salaries and wages	97,894	302,436	88,196	270,094
Employee benefits	14,177	43,809	12,567	38,463
Materials and supplies	14,270	37,392	13,317	36,736
Fuel	32,878	66,104	21,707	75,514
Transportation and allowances	558	1,553	448	1,152
Contracted services and fees	9,635	28,121	10,046	23,973
Insurance	2,229	7,068	2,583	7,701
Provision for marine accidents	624	5,300	2,728	1,100
Provision for obsolete inventory	99	297	105	295
Depreciation	19,074	57,068	18,249	55,028
Other expenses	3,006	8,408	3,518	7,046
	<u>194,444</u>	<u>557,556</u>	<u>173,464</u>	<u>517,102</u>
Capitalized labor and materials	<u>(18,649)</u>	<u>(53,123)</u>	<u>(14,027)</u>	<u>(39,899)</u>
Total expenses	<u>175,795</u>	<u>504,433</u>	<u>159,437</u>	<u>477,203</u>
Income before fees	398,749	1,234,466	313,536	997,647
Fees per net ton	(87,717)	(280,468)	(81,320)	(256,241)
Panamanian Treasury (Tesoro Nacional) – public service fees	<u>(496)</u>	<u>(1,440)</u>	<u>(440)</u>	<u>(1,427)</u>
Net income	<u>310,536</u>	<u>952,558</u>	<u>231,776</u>	<u>739,979</u>



Panama Canal Authority
Statement of cash flows – Unaudited
For the nine months ended June 30, 2011
(In thousands of balboas – at par with US\$)

	2011	2010
Cash flows from operating activities:		
Net income	952,558	739,979
Depreciation	55,887	54,149
Loss on disposal of fixed asset	709	93
Provision for obsolete inventory	297	295
Provision for marine accidents	5,300	1,101
Changes in working capital:		
Increase in trade and other receivables	(14,010)	(2,765)
Increase in inventories	(3,988)	(6,585)
Increase in accrued interest receivable and other assets	(7,595)	(15,647)
Increase in trade and other payables	18,932	42,094
Payments of marine accident claims	(5,379)	(4,427)
Decrease in accrued salaries and vacation payable	(23,675)	(11,691)
Increase in current financial liabilities	1,195	1,963
Increase in other liabilities	4,039	1,809
Net cash provided by operating activities	<u>984,270</u>	<u>800,368</u>
Cash flows from investing activities:		
Net increase of fixed assets	(642,350)	(271,886)
Decrease (increase) in other financial assets	23,854	(500,428)
Increase in non-current assets	(198,185)	(300,000)
(Increase) decrease in time deposits, over 90 days	<u>(151,351)</u>	<u>603,136</u>
Net cash used in investing activities	<u>(968,032)</u>	<u>(469,178)</u>
Cash flows from financing activities:		
Increase in long-term borrowings	600,000	300,000
Transfer to Panamanian Treasury	<u>(470,603)</u>	<u>(434,120)</u>
Net cash provided/(used) by financing activities	<u>129,397</u>	<u>(134,120)</u>
Net increase in cash and cash equivalents	145,635	197,070
Cash and cash equivalents at beginning of the period	<u>192,945</u>	<u>212,225</u>
Cash and cash equivalents at the end of the period	<u><u>338,580</u></u>	<u><u>409,295</u></u>
Investing activities that did not represent cash outflows		
Fixed assets - capitalized depreciation	<u>(1,180)</u>	<u>(879)</u>

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