



Panama Canal Authority

**Interim Financial Statements – Unaudited
December 31, 2011
I Quarter**



Panama Canal Authority
Statement of financial position
December 31, 2011
(In thousands of balboas – at par with US\$)

	December 31, 2011 (unaudited)	September 30, 2011 (audited)
Assets:		
Non-current assets:		
Properties, plant and equipment, net	4,082,234	3,884,891
Accounts receivable	606,072	614,275
Total non-current assets	<u>4,688,306</u>	<u>4,499,166</u>
Current assets:		
Inventories, net	67,084	68,623
Trade and other receivables	36,018	46,796
Other financial assets	634,330	738,254
Accrued interest receivable and other assets	21,837	25,373
Cash and bank deposits	1,760,120	2,285,946
Total current assets	<u>2,519,389</u>	<u>3,164,992</u>
Total assets	<u><u>7,207,695</u></u>	<u><u>7,664,158</u></u>
Equity and liabilities:		
Equity:		
Contributed capital	1,904,473	1,904,473
Contributions for investment programs	3,333,406	3,167,137
Reserves	764,828	613,947
Other equity accounts - cash flow hedge	(201,181)	(197,242)
Unappropriated retained earnings	-	674,292
Total equity	<u>5,801,526</u>	<u>6,162,607</u>
Non-current liabilities:		
Borrowings	900,000	900,000
Other financial liabilities	206,200	202,773
Total non-current liabilities	<u>1,106,200</u>	<u>1,102,773</u>
Current liabilities:		
Trade and other payables	196,795	261,761
Provision for marine accident claims	17,792	18,492
Accrued salaries and vacation payable	76,874	102,213
Other financial liabilities	4,098	12,941
Other liabilities	4,410	3,371
Total current liabilities	<u>299,969</u>	<u>398,778</u>
Total equity and liabilities	<u><u>7,207,695</u></u>	<u><u>7,664,158</u></u>



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

	December 31, 2011	December 31, 2010
Revenues:		
Toll revenues	469,466	417,714
Other Canal transit services	<u>101,767</u>	<u>108,399</u>
	571,233	526,113
Other revenues:		
Electric power sales	24,681	20,905
Potable water sales	6,457	6,314
Interest earned	5,374	5,950
Miscellaneous	<u>3,418</u>	<u>2,475</u>
Total other revenues	<u>39,930</u>	<u>35,644</u>
Total revenues	<u>611,163</u>	<u>561,757</u>
Expenses:		
Salaries and wages	127,169	105,374
Employee benefits	16,727	16,275
Materials and supplies	12,497	9,673
Fuel	21,661	14,088
Transportation and allowances	477	560
Contracted services and fees	8,277	7,738
Insurance	2,473	2,337
Provision for marine accidents	49	1,858
Provision for obsolete inventory	99	99
Depreciation	21,128	18,996
Other expenses	<u>1,794</u>	<u>1,528</u>
	212,351	178,526
Labor, materials, and other capitalized costs	<u>(16,278)</u>	<u>(16,806)</u>
Total expenses	<u>196,073</u>	<u>161,720</u>
Income before fees	415,090	400,037
Fees per net ton	(97,474)	(97,047)
Panamanian Treasury (Tesoro Nacional)		
– public service fees	<u>(466)</u>	<u>(429)</u>
Net income	<u><u>317,150</u></u>	<u><u>302,561</u></u>

Panama Canal Authority
Statement of cash flows – Unaudited
For the three months ended December 31, 2011
(In thousands of balboas – at par with US\$)

	December 31, 2011	December 31, 2010
Cash flows from operating activities:		
Net income	317,150	302,561
Depreciation	20,366	18,647
Loss on disposal of fixed asset	36	2
Provision for obsolete inventory	115	99
Provision for marine accidents	49	1,858
Changes in working capital:		
Decrease (increase) in trade and other receivables	10,778	(114)
Decrease (increase) in inventories	1,424	(1,220)
Decrease in accrued interest receivable and other assets	3,535	2,347
Decrease in trade and other payables	(64,966)	(42,531)
Payments of marine accident claims	(748)	(1,304)
Decrease in accrued salaries and vacation payable	(25,339)	(26,014)
Decrease in other current financial liabilities	(8,843)	(357)
Increase (decrease) in other liabilities	1,039	(565)
Net cash provided by operating activities	<u>254,596</u>	<u>253,409</u>
Cash flows from investing activities:		
Net increase of properties, plant and equipment	(217,745)	(188,830)
Decrease in other financial assets	103,412	9,024
Decrease in non-current assets, accounts receivable	8,202	-
Decrease in time deposits, over 90 days	489,084	607,241
Net cash provided by investing activities	<u>382,953</u>	<u>427,435</u>
Cash flows from financing activities:		
Long-term borrowings	-	300,000
Transfer to Panamanian Treasury	(674,292)	(470,603)
Net cash used in financing activities	<u>(674,292)</u>	<u>(170,603)</u>
Net (decrease) increase in cash and cash equivalents	(36,743)	510,240
Cash and cash equivalents at the beginning of the period	276,449	192,945
Cash and cash equivalents at the end of the period	<u>239,706</u>	<u>703,185</u>
Investing activities that did not represent cash outflows		
Fixed assets - capitalized depreciation	<u>(762)</u>	<u>(349)</u>
Interests:		
Received	11,092	13,599
Paid	26,285	10,235

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