



*CANAL DE PANAMÁ*

**Panama Canal Authority**

**Interim Financial Statements – Unaudited  
March 31, 2011  
Semiannual**



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

	<b>March 31, 2011 (unaudited)</b>	<b>September 30, 2010 (audited)</b>
<b>Assets</b>		
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
<b>Equity and liabilities</b>		
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\$)**

	<b>2011</b>	<b>2010</b>
Revenues:		
Toll revenues	873,908	748,728
Vessel-transit-related services	215,713	160,082
	1,089,621	908,810
Other revenues:		
Electric power sales	44,679	65,703
Potable water sales	12,336	10,278
Interest income	11,160	9,696
Miscellaneous	6,559	7,390
	74,734	93,067
Total other revenues	74,734	93,067
Total revenues	1,164,355	1,001,877
Expenses:		
Salaries and wages	204,542	181,898
Employee benefits	29,632	25,896
Materials and supplies	23,122	23,419
Fuel	33,226	53,807
Transportation and allowances	995	704
Contracted services and fees	18,486	13,927
Insurance	4,839	5,118
Provision for marine accidents	4,676	(1,628)
Provision for obsolete inventory	198	190
Depreciation	37,994	36,779
Other expenses	5,402	3,528
	363,112	343,638
Capitalized labor and materials	(34,474)	(25,872)
Total expenses	328,638	317,766
Income before fees and depreciation	835,717	684,111
Fees per net ton	(192,751)	(174,921)
Panamanian Treasury (Tesoro Nacional) – public service fees	(944)	(987)
Net income	642,022	508,203



**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
<b>Cash flows from operating activities:</b>		
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
<b>Net cash provided by operating activities</b>	<u>703,911</u>	<u>530,636</u>
<b>Cash flows from investing activities:</b>		
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)
<b>Net cash used in investing activities</b>	<u>(208,738)</u>	<u>(259,447)</u>
<b>Cash flows from financing activities:</b>		
Net increase in non-current liabilities	300,000	317,001
Transfer to Panamanian Treasury	(470,603)	(434,120)
<b>Net cash (used in)/provided by financing activities</b>	<u>(170,603)</u>	<u>(117,119)</u>
Net increase in cash and cash equivalents	324,570	154,070
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>517,515</u>	<u>366,295</u>
<b>Investing activities that did not represent cash outflows</b>		
Fixed assets - capitalized depreciation	<u>(752)</u>	<u>(681)</u>

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