



Panama Canal Authority

**Interim Financial Statements – Unaudited
September 30, 2011
IV Quarter**



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

	2011	2010
	(unaudited)	(audited)
Assets		
Non-current assets:		
Properties, plant and equipment, net	3,884,891	3,073,853
Accounts receivable	<u>614,275</u>	<u>400,481</u>
Total non-current assets	<u>4,499,166</u>	<u>3,474,334</u>
Current assets:		
Inventories, net	68,623	61,041
Trade and other receivables	46,796	33,476
Other financial assets	738,254	561,261
Accrued interest receivable and other assets	25,373	22,617
Cash and bank deposits	<u>2,285,946</u>	<u>2,119,074</u>
Total current assets	<u>3,164,992</u>	<u>2,797,469</u>
Total assets	<u><u>7,664,158</u></u>	<u><u>6,271,803</u></u>
Equity and liabilities		
Equity:		
Contributed capital	1,904,473	1,904,473
Reserves	3,781,084	3,225,942
Other equity accounts – cash flow hedge	(197,242)	(150,226)
Unappropriated retained earnings	<u>674,292</u>	<u>470,603</u>
Total equity	<u>6,162,607</u>	<u>5,450,792</u>
Non-current liabilities:		
Borrowings	900,000	300,000
Other financial liabilities	<u>202,773</u>	<u>150,871</u>
Total non-current liabilities	<u>1,102,773</u>	<u>450,871</u>
Current liabilities:		
Trade and other payables	261,761	221,345
Provision for marine accident claims	18,492	32,693
Accrued salaries and vacation payable	102,213	107,918
Other financial liabilities	12,941	3,056
Other liabilities	<u>3,371</u>	<u>5,128</u>
Total current liabilities	<u>398,778</u>	<u>370,140</u>
Total equity and liabilities	<u><u>7,664,158</u></u>	<u><u>6,271,803</u></u>



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

	<u>2011</u>		<u>2010</u>	
	<u>IV Quarter</u>	<u>Twelve Months</u>	<u>IV Quarter</u>	<u>Twelve Months</u>
Revenues:				
Toll revenues	424,874	1,729,910	377,011	1,482,086
Other Canal transit services	91,484	400,722	82,197	319,732
	<u>516,358</u>	<u>2,130,632</u>	<u>459,208</u>	<u>1,801,818</u>
Other revenues:				
Electric power sales	46,720	125,325	21,399	112,687
Potable water sales	6,668	25,520	6,570	22,534
Interest income	5,745	22,213	6,283	20,462
Miscellaneous	4,083	14,783	3,793	14,602
Total other revenues	<u>63,216</u>	<u>187,841</u>	<u>38,045</u>	<u>170,285</u>
Total revenues	<u>579,574</u>	<u>2,318,473</u>	<u>497,253</u>	<u>1,972,103</u>
Expenses:				
Salaries and wages	123,477	425,913	115,474	385,568
Employee benefits	14,609	58,418	12,960	51,423
Materials and supplies	15,909	53,301	14,305	51,041
Fuel	40,437	106,541	18,736	94,250
Transportation and allowances	629	2,182	562	1,714
Contracted services and fees	19,423	47,544	13,153	37,126
Insurance	2,903	9,971	1,119	8,820
Provision for marine accidents	(6,064)	(764)	3,944	5,044
Provision for obsolete inventory	1,340	1,637	(48)	247
Depreciation	22,923	79,991	19,557	74,585
Other expenses	3,290	11,698	2,977	10,023
	<u>238,876</u>	<u>796,432</u>	<u>202,739</u>	<u>719,841</u>
Capitalized labor and materials	<u>(23,163)</u>	<u>(76,286)</u>	<u>(15,905)</u>	<u>(55,804)</u>
Total expenses	<u>215,713</u>	<u>720,146</u>	<u>186,834</u>	<u>664,037</u>
Income before fees	363,861	1,598,327	310,419	1,308,066
Fees per net ton	(86,519)	(366,987)	(85,979)	(342,220)
Panamanian Treasury (Tesoro Nacional) – public service fees	<u>(466)</u>	<u>(1,906)</u>	<u>(428)</u>	<u>(1,855)</u>
Net income	<u>276,876</u>	<u>1,229,434</u>	<u>224,012</u>	<u>963,991</u>



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

	2011	2010
Cash flows from operating activities:		
Net income	1,229,434	963,991
Depreciation	78,031	73,641
Loss on disposal of fixed asset	1,167	573
Provision for obsolete inventory	1,637	247
Provision for marine accidents	(764)	5,044
Changes in working capital:		
Increase in trade and other receivables	(13,320)	(343)
Increase in inventories	(9,218)	(11,635)
Increase in accrued interest receivable and other assets	(2,756)	(15,013)
Increase in trade and other payables	40,417	95,442
Payments of marine accident claims	(13,437)	(4,719)
(Decrease) increase in accrued salaries and vacation payable	(5,705)	17,163
Increase in other current financial liabilities	9,885	3,056
Decrease in other liabilities	(1,757)	(2,511)
Net cash provided by operating activities	<u>1,313,614</u>	<u>1,124,936</u>
Cash flows from investing activities:		
Net increase of fixed assets	(890,237)	(469,495)
Increase in other financial assets	(172,107)	(509,637)
Increase in non-current assets, accounts receivable	(213,794)	(400,000)
(Increase) decrease in time deposits, over 90 days	(83,369)	369,036
Net cash used in investing activities	<u>(1,359,507)</u>	<u>(1,010,096)</u>
Cash flows from financing activities:		
Increase in long-term borrowings	600,000	300,000
Transfer to Panamanian Treasury	(470,603)	(434,120)
Net cash provided by/(used in) financing activities	<u>129,397</u>	<u>(134,120)</u>
Net increase (decrease) in cash and cash equivalents	83,504	(19,280)
Cash and cash equivalents at beginning of the year	<u>192,945</u>	<u>212,225</u>
Cash and cash equivalents at the end of the year	<u>276,449</u>	<u>192,945</u>
Investing activities that did not represent cash outflows		
Fixed assets - capitalized depreciation	(1,960)	(944)
Properties received from the Republic of Panama	-	3,432
Properties transferred to the Republic of Panama	-	(3,927)
	<u>(1,960)</u>	<u>(1,439)</u>

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