



Panama Canal Authority

**Interim Financial Statements – Unaudited
March 31, 2012
II Quarter**



Panama Canal Authority
Statement of financial position
March 31, 2012
(In thousands of balboas – at par with US\$)

	March 31, 2012 (unaudited)	September 30, 2011 (audited)
Assets:		
Non-current assets:		
Properties, plant and equipment, net	4,364,755	3,884,891
Accounts receivable	<u>593,589</u>	<u>614,275</u>
Total non-current assets	<u>4,958,344</u>	<u>4,499,166</u>
Current assets:		
Inventories, net	65,192	68,623
Trade and other receivables	42,401	46,796
Other financial assets	517,790	738,254
Accrued interest receivable and other assets	25,928	25,373
Cash and bank deposits	<u>1,958,913</u>	<u>2,285,946</u>
Total current assets	<u>2,610,224</u>	<u>3,164,992</u>
Total assets	<u><u>7,568,568</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	3,499,504	3,167,137
Reserves	934,155	613,947
Other equity accounts - cash flow hedge	(174,278)	(197,242)
Unappropriated retained earnings	<u>-</u>	<u>674,292</u>
Total equity	<u>6,163,854</u>	<u>6,162,607</u>
Non-current liabilities:		
Borrowings	900,000	900,000
Other financial liabilities	<u>178,030</u>	<u>202,773</u>
Total non-current liabilities	<u>1,078,030</u>	<u>1,102,773</u>
Current liabilities:		
Trade and other payables	211,610	261,761
Provision for marine accident claims	18,826	18,492
Accrued salaries and vacation payable	77,985	102,213
Other financial liabilities	12,206	12,941
Other liabilities	<u>6,057</u>	<u>3,371</u>
Total current liabilities	<u>326,684</u>	<u>398,778</u>
Total equity and liabilities	<u><u>7,568,568</u></u>	<u><u>7,664,158</u></u>



Panama Canal Authority
Income statement – Unaudited
For the six months ended March 31, 2012
(In thousands of balboas – at par with US\$)

	<u>2012</u>		<u>2011</u>	
	<u>II Quarter</u>	<u>Six Months</u>	<u>II Quarter</u>	<u>Six Months</u>
Revenues:				
Toll revenues	461,316	930,782	456,194	873,908
Other Canal transit services	101,463	203,230	107,315	215,713
	<u>562,779</u>	<u>1,134,012</u>	<u>563,509</u>	<u>1,089,621</u>
Other revenues:				
Electric power sales	24,420	49,101	23,774	44,679
Potable water sales	6,741	13,198	6,022	12,336
Interest income	5,395	10,769	5,210	11,160
Miscellaneous	3,698	7,116	4,083	6,559
Total other revenues	<u>40,254</u>	<u>80,184</u>	<u>39,089</u>	<u>74,734</u>
Total revenues	<u>603,033</u>	<u>1,214,196</u>	<u>602,598</u>	<u>1,164,355</u>
Expenses:				
Salaries and wages	99,943	227,112	99,168	204,542
Employee benefits	14,750	31,477	13,357	29,632
Materials and supplies	11,706	24,203	13,449	23,122
Fuel	25,122	46,783	19,138	33,226
Transportation and allowances	487	964	435	995
Contracted services and fees	9,742	18,019	10,748	18,486
Insurance	2,639	5,112	2,502	4,839
Provision for marine accidents	1,499	1,548	2,818	4,676
Provision for obsolete inventory	99	198	99	198
Depreciation	21,678	42,806	18,998	37,994
Other expenses	2,211	4,005	3,874	5,402
	<u>189,876</u>	<u>402,227</u>	<u>184,586</u>	<u>363,112</u>
Capitalized labor and materials	<u>(18,641)</u>	<u>(34,919)</u>	<u>(17,668)</u>	<u>(34,474)</u>
Total expenses	<u>171,235</u>	<u>367,308</u>	<u>166,918</u>	<u>328,638</u>
Income before fees	431,798	846,888	435,680	835,717
Fees per net ton	(95,747)	(193,221)	(95,704)	(192,751)
Panamanian Treasury (Tesoro Nacional) – public service fees	<u>(626)</u>	<u>(1,092)</u>	<u>(515)</u>	<u>(944)</u>
Net income	<u>335,425</u>	<u>652,575</u>	<u>339,461</u>	<u>642,022</u>

Panama Canal Authority
Statement of cash flows – Unaudited
For the six months ended March 31, 2012
(In thousands of balboas – at par with US\$)

	March 31, 2012	March 31, 2011
Cash flows from operating activities:		
Net income	652,575	642,022
Depreciation	41,235	37,242
Loss on disposal of fixed asset	36	585
Provision for obsolete inventory	198	198
Provision for marine accidents	1,548	4,676
Changes in working capital:		
Decrease (increase) in trade and other receivables	4,395	(2,402)
Decrease in inventories	3,233	3,469
Increase in accrued interest receivable and other assets	(556)	(12,069)
(Decrease) increase in trade and other payables	(50,151)	51,790
Payments of marine accident claims	(1,213)	(3,000)
Decrease in accrued salaries and vacation payable	(24,228)	(24,922)
(Decrease) increase in other current financial liabilities	(735)	4,924
Increase in other liabilities	2,686	1,398
Net cash provided by operating activities	<u>629,023</u>	<u>703,911</u>
Cash flows from investing activities:		
Net increase of properties, plant and equipment	(521,135)	(434,961)
Decrease in other financial assets	218,685	22,287
Decrease (increase) in non-current assets	20,686	(200,000)
Decrease in time deposits, over 90 days	303,321	403,936
Net cash provided by investing activities	<u>21,557</u>	<u>(208,738)</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	(23,712)	324,570
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>252,737</u>	<u>517,515</u>
Investing activities that did not represent cash outflows		
Fixed assets - capitalized depreciation	<u>(1,571)</u>	<u>(752)</u>
Interests:		
Received	27,787	26,696
Paid	26,285	10,280

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