

Original

Gulf Millennium Holdings Limited

**Report and financial statements
31 December 2006**

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

Report and financial statements 31 December 2006

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Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

Board of Directors and other officers

Board of Directors

Charalambos Michaelides
Panayiota Papademetriou

Company Secretary

Zet Secretarial Limited

Julia House
3 Themistocles Dervis Street
1066 Nicosia
Cyprus

Registered office

Julia House
3 Themistocles Dervis Street
1066 Nicosia
Cyprus

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

Report of the Board of Directors

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2006.

Change of name

2 On 2 May 2006, the Company changed its name from Aktor Operations Limited to Gulf Millennium Holdings Limited.

Principal activity

3 The principal activity of the Company, which is unchanged from last year, is the provision of construction services.

Review of developments, position and performance of the Company's business

4 The Company had not undertaken any project in the year 2006, but it had conducted research and placed proposal for new development projects in the year. The financial position of the Company as presented in the financial statements is considered satisfactory.

Principal risks and uncertainties

5 The principal risks and uncertainties that the Company is exposed to are in connection to interest rate risk, credit risk and liquidity risk. The Board of Directors of the Company employs risk management policies to manage these risks.

Future developments

6 The Board of Directors of the Company does not expect any significant changes in the activities of the Company for the foreseeable future.

Results

7 The Company's results for the year are set out on page 7. The loss for the year is carried forward.

Share capital

8 On 6 November 2006 the Company issued 1 000 shares of C£1 each, at a price of C£254,37 per share, fully paid amounting to C£254,370. On 27 November 2006 the Company issued 1 000 shares of C£1 each, at a price of C£768,50 per share, fully paid amounting to C£768,500.

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

Report of the Board of Directors (continued)

Board of Directors

9 The members of the Board of Directors at 31 December 2006 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2006.

10 There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Events after the balance sheet date

11 There were no material events which occurred after the end of the financial year.

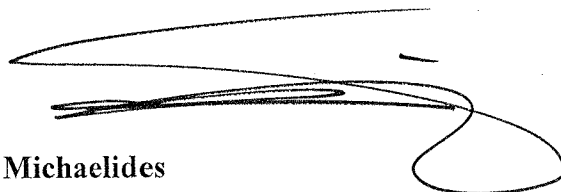
Branches

12 The Company did not operate through any branches during the year.

Auditors

13 The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board



**Charalambos Michaelides
Director**

Nicosia
31 May 2007



Independent Auditors' Report To the Members of Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

PricewaterhouseCoopers Limited
Julia House
3 Themistocles Dervis Street
CY-1066 Nicosia
P O Box 21612
CY-1591 Nicosia, Cyprus
Telephone: + 357 - 22555000
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Report on the Financial Statements

1 We have audited the financial statements of Gulf Millennium Holdings Limited (formerly Aktor Operations Limited) (the "Company") on pages 7 to 23, which comprise the balance sheet as at 31 December 2006 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

2 The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Cyprus Companies Law, Cap. 113. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Board Members: Phidias K Pillides (CEO), Dinos N Panadopoulos (Deputy CEO), Tassos I Televantides (Deputy CEO), Penkos N Tsilalis, Christakis Santis, Stephanos D Stephanides, Costas L Hadjiconstantinou, George Forndaris, Costas M Nicolaidis, Angelos M Lolzou, Vasilis Hadjiavastliou, Androula S Pliatas, Savvas C Michali, Costas L Mavrocordatos, Christos M Themistocleous, Panicos Kaouris, Nicos A Neophytou, George M Lolzou, Timothy D Osborne, Pantelis G Evangelou, Liakos M Theodorou, Stelios Constantinou, Tassos Procopiou, Andreas T Constantinides, Theo Parperis, Constantinos Constantinou, Petros C Petrekis, Phillppos C Souselos, Evgenios C Evgeniou, Christos Tsolakis, Nicos A Theodoulou, Nikos T Nikolaidis, Cleo A Papadopoulou, Marios S Andreou, Nicos P Chimarides, Aram Tavilian, Constantinos Taliotis, Stavros A Kattamis, Yliagos A Kaponides, Tasos N Nolas, Chrysilios K Pelokanos
Directors of Operations: Adrian Ioannou, Androulla Aristidou, Achilleas Chrysanthou, George Skapoullaras, Bambos A Charalambous, Chris Odysseos, Demetris V Psaltis, Constantinos L Kopsfills, Melina Pyrgou

4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Opinion

6 In our opinion, the financial statements give a true and fair view of the financial position of Gulf Millennium Holdings Limited (formerly Aktor Operations Limited) as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and International Financial Reporting Standards as issued by the IASB and the requirements of the Cyprus Companies Law, Cap. 113.

Emphasis of matter

7 Without qualifying our opinion, we draw attention to Note 2 to the financial statements, which indicates that the Company incurred a loss of €838.399 during the year ended 31 December 2006 and, as of that date the Company's current liabilities exceeded its total assets by €1.867.473. These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern.


Report on Other Legal Requirements

8 Pursuant to the requirements of the Companies Law, Cap. 113, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 3 is consistent with the financial statements.

Other Matter

8 This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 156 of the Companies Law, Cap. 113 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



PricewaterhouseCoopers Limited
Chartered Accountants

Nicosia, 31 May 2007

Gulf Millennium Holdings Limited
(formerly Aktor Operations Limited)

Income statement
for the year ended 31 December 2006

| | Note | 2006 € | 2005 € |
|--------------------------|------|-------------------------|---------------------------|
| Gains | 5 | 625.885 | 286 |
| Operating expenses | | (1.281.623) | (2.036.380) |
| Operating loss | | <u>(655.738)</u> | <u>(2.036.094)</u> |
| Finance costs - net | 8 | (182.624) | (92.897) |
| Loss before tax | | <u>(838.362)</u> | <u>(2.128.991)</u> |
| Tax | 9 | (37) | - |
| Loss for the year | | <u><u>(838.399)</u></u> | <u><u>(2.128.991)</u></u> |

The notes on pages 11 to 23 are an integral part of these financial statements.

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

Balance sheet at 31 December 2006

| | Note | 2006 € | 2005 € |
|-------------------------------------|------|-------------------------|-------------------------|
| Assets | | | |
| Non-current assets | | | |
| Receivables | 11 | 2,944,405 | 1,815,000 |
| Current assets | | | |
| Trade and other receivables | 12 | 202,392 | 2,973,076 |
| Cash and cash equivalents | 13 | 57,658 | 139,129 |
| | | <u>260,050</u> | <u>3,112,205</u> |
| Total assets | | <u><u>3,204,455</u></u> | <u><u>4,927,205</u></u> |
| Equity and liabilities | | | |
| Capital and reserves | | | |
| Share capital | 14 | 25,774 | 22,307 |
| Share premium | 14 | 2,667,437 | 900,904 |
| Accumulated losses | | (5,202,163) | (4,363,764) |
| | | <u>(2,508,952)</u> | <u>(3,440,553)</u> |
| Non-current liabilities | | | |
| Borrowings | 15 | 641,479 | 341,342 |
| Current liabilities | | | |
| Trade and other payables | 16 | 1,073,838 | 4,081,292 |
| Borrowings | 15 | 3,998,090 | 3,945,124 |
| | | <u>5,071,928</u> | <u>8,026,416</u> |
| Total liabilities | | <u><u>5,713,407</u></u> | <u><u>8,367,758</u></u> |
| Total equity and liabilities | | <u><u>3,204,455</u></u> | <u><u>4,927,205</u></u> |

On 31 May 2007 the Board of Directors of Gulf Millennium Holdings Limited (formerly Aktor Operations Limited) authorised these financial statements for issue.

Charalambos Michaelides, Director



Panayiota Papademetriou, Director



The notes on pages 11 to 23 are an integral part of these financial statements.

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

Statement of changes in equity for the year ended 31 December 2006

| | Note | Share capital € | Share premium € | Accumulated losses (1) € | Total € |
|--|------|-----------------------|-------------------------|--------------------------------|---------------------------|
| Balance at 1 January 2005 | | 18.830 | 204.886 | (2,234.773) | (2,011,057) |
| Issue of share capital | 14 | 3.477 | 696.018 | - | 699.495 |
| Loss for the year | | - | - | (2,128.991) | (2,128.991) |
| Balance at 31 December 2005/ 1 January 2006 | | <u>22.307</u> | <u>900.904</u> | <u>(4,363.764)</u> | <u>(3,440.553)</u> |
| Issue of share capital | 14 | 3.467 | 1,766.533 | - | 1,770.000 |
| Loss for the year | | - | - | (838.399) | (838.399) |
| Balance at 31 December 2006 | | <u><u>25.774</u></u> | <u><u>2,667.437</u></u> | <u><u>(5,202.163)</u></u> | <u><u>(2,508.952)</u></u> |

- (1) As from 1 January 2003, companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 11 to 23 are an integral part of these financial statements.

Gulf Millennium Holdings Limited
(formerly Aktor Operations Limited)

Cash flow statement
for the year ended 31 December 2006

| | Note | 2006 € | 2005 € |
|--|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Loss before tax | | (838.362) | (2.128.991) |
| Adjustments for: | | | |
| Depreciation of plant and equipment | 10 | - | 4.264 |
| Profit from the sale of plant and equipment | 10 | - | (216) |
| Interest income | 5 | (537) | (70) |
| Interest expense | 8 | 186.744 | 88.676 |
| | | <u>(652.155)</u> | <u>(2.036.337)</u> |
| Changes in working capital | | | |
| Trade and other receivables | | 2.812.315 | (129.228) |
| Trade and other payables | | (3.007.454) | 467.485 |
| | | <u>(847.294)</u> | <u>(1.697.880)</u> |
| Cash used in operations | | (847.294) | (1.697.880) |
| Tax paid | | (37) | - |
| | | <u>(847.331)</u> | <u>(1.697.880)</u> |
| Net cash used in operating activities | | (847.331) | (1.697.880) |
| Cash flows from investing activities | | | |
| Proceeds from the sale of plant and equipment | 10 | - | 34.922 |
| Acquisition of subsidiary company | 17 | (1.735) | - |
| Proceeds from sale of subsidiary company | 17 | 1.735 | - |
| Receivables from related parties | | (1.171.036) | (1.815.000) |
| Interest received | | 537 | 70 |
| | | <u>(1.170.499)</u> | <u>(1.780.008)</u> |
| Net cash used in investing activities | | (1.170.499) | (1.780.008) |
| Cash flows from financing activities | | | |
| Proceeds from the issue of share capital | | 1.770.000 | 699.495 |
| Loans from related parties | | 300.137 | 341.342 |
| Proceeds from borrowings | | - | 2.498.223 |
| Repayment of borrowings | | (14.113) | (500.000) |
| Interest paid | | (186.744) | (88.676) |
| | | <u>1.869.280</u> | <u>2.950.384</u> |
| Net cash from financing activities | | 1.869.280 | 2.950.384 |
| Net decrease in cash and bank overdrafts | | (148.550) | (527.504) |
| Cash and bank overdrafts at beginning of year | | (1.307.772) | (780.268) |
| | | <u>(1.456.322)</u> | <u>(1.307.772)</u> |
| Cash and bank overdrafts at end of year | 13 | (1.456.322) | (1.307.772) |

The notes on pages 11 to 23 are an integral part of these financial statements.

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

Notes to the financial statements

1 General information

Country of incorporation

The Company was incorporated in Cyprus as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113. Its registered office is at Julia House, 3 Themistocles Dervis Street, 1066 Nicosia, Cyprus.

Principal activity

The principal activity of the Company, which is unchanged from last year, is the provision of construction services.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements of Gulf Millennium Holdings Limited (formerly Aktor Operations Limited) have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The financial statements comply with both these reporting frameworks because at the time of their preparation all applicable IFRSs issued by the IASB have been adopted by the EU through the endorsement procedure established by the European Commission. In addition the financial statements have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Going concern

The Company incurred a net loss of €838.399 during the year ended 31 December 2006 and, as of that date the Company's current liabilities exceeded its total assets by €1.867.473. Despite of the existence of these conditions, the financial statements have been prepared on a going concern basis, which assumes the continuing financial support of the holding company.

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

2 Summary of significant accounting policies (continued)

Adoption of new and revised IFRS

In the current year the Company adopted all new and revised IFRS that are relevant to its operations and are effective for accounting periods beginning on 1 January 2006.

This adoption did not result in substantial changes to the Company's accounting policies.

At the date authorisation of these financial statements the following Standards were in issue but not yet effective:

| New Standard / Interpretation | Effective |
|--|-----------------|
| <i>Standards that become effective for years ending 31 December 2007</i> | |
| • IFRS 7 "Financial Instruments: Disclosures" and IAS 1 amendment "Presentation of Financial Statements" | 1 January 2007 |
| • IFRIC Interpretation 7 "Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies" | 1 March 2006 |
| • IFRIC Interpretation 8 "Scope of IFRS 2" | 1 May 2006 |
| • IFRIC Interpretation 9 "Reassessment of Embedded Derivatives" | 1 June 2006 |
| • IFRIC Interpretation 10 "Interim Financial Reporting and Impairment" * | 1 November 2006 |
| <i>Standards that become effective for years ending 31 December 2008</i> | |
| • IFRIC Interpretation 11 "IFRS 2 - Group and Treasury Share Transactions" * | 1 March 2007 |
| • IFRIC Interpretation 12 "Service Concession Arrangements" * | 1 January 2008 |
| <i>Standards that become effective for years ending 31 December 2009</i> | |
| • IFRS 8 "Operating Segments" * | 1 January 2009 |
| • IAS 23 (Amendment) "Borrowing Costs" * | 1 January 2009 |

* Have not yet been endorsed by the European Union.

The Board of Directors anticipates that the adoption of these Standards in future periods will have no material impact on the financial statements of the Company.

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

2 Summary of significant accounting policies (continued)

Revenue recognition

Interest income is recognised on a time proportion basis using the effective interest method.

Foreign currency translation

(a) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Tax

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Plant and equipment

All plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of plant and equipment.

Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful life. The annual depreciation rates are as follows:

| | |
|------------------------|---------|
| | % |
| Furniture and fixtures | 10 - 20 |

Gulf Millennium Holdings Limited

(formerly Aktor Operations Limited)

2 Summary of significant accounting policies (continued)

Plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Share capital

Ordinary shares are classified as equity.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Gulf Millennium Holdings Limited

(formerly Aktor Operations Limited)

2 Summary of significant accounting policies (continued)

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise deposits held at call with banks and bank overdrafts. In the balance sheet bank overdrafts are shown within borrowings in current liabilities.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Financial risk management

(a) Financial risk factors

The Company is exposed to interest rate risk, credit risk and liquidity risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below.

(i) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are independent of changes in market interest rates, as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its bank and other borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

(ii) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The Company has significant concentrations of credit risk. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

(iii) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Gulf Millennium Holdings Limited

(formerly Aktor Operations Limited)

3 Financial risk management (continued)

(b) Fair value estimation

The nominal value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. As at the balance sheet date, the Company's estimates and assumptions had no significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5 Gains

| | 2006 € | 2005 € |
|---|----------------|------------|
| Bad debts recovered | 611,989 | - |
| Sale of tools | 13,023 | - |
| Interest income | | |
| Bank balances | 537 | 70 |
| Discount received | 336 | - |
| Profit from sale of plant and equipment (Note 10) | - | 216 |
| | <u>625,885</u> | <u>286</u> |

6 Expenses by nature

| | 2006 € | 2005 € |
|--|------------------|------------------|
| Auditor's remuneration | 6,905 | 7,930 |
| Staff costs (Note 7) | 692,865 | 1,012,837 |
| Consultancy services | 315,115 | 260,102 |
| Professional fees | 114,131 | 53,098 |
| Rent expense | 36,634 | 60,946 |
| Site support costs | 28,080 | 235,618 |
| Postages and telephones | 4,621 | 33,781 |
| Transportation costs | 3,493 | 42,532 |
| Hired equipment | - | 123,992 |
| Other expenses | 79,779 | 205,544 |
| Total cost of services and administrative expenses | <u>1,281,623</u> | <u>2,036,380</u> |

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

7 Staff costs

| | 2006 € | 2005 € |
|------------------------------|----------------|------------------|
| Wages and salaries | <u>692.865</u> | <u>1,012.837</u> |
| | Number | Number |
| Average number of employees: | | |
| Full time | <u>13</u> | <u>18</u> |

8 Finance costs - net

| | 2006 € | 2005 € |
|---|------------------|-----------------|
| Interest expense: | | |
| Bank borrowings | (166.582) | (82.333) |
| Related companies (Note 18d) | <u>(20.162)</u> | <u>(6.342)</u> |
| | <u>(186.744)</u> | <u>(88.675)</u> |
| Net foreign exchange transaction gains/(losses) | <u>4.120</u> | <u>(4.222)</u> |
| | <u>(182.624)</u> | <u>(92.897)</u> |

9 Tax

| | 2006 € | 2005 € |
|----------------------|-----------|-----------|
| Current tax: | | |
| Defence contribution | <u>37</u> | <u>-</u> |

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

| | 2006 € | 2005 € |
|---|------------------|--------------------|
| Loss before tax | <u>(838.362)</u> | <u>(2,128.991)</u> |
| Tax calculated at the applicable tax rates | (83.836) | (212.899) |
| Tax effect of expenses not deductible for tax purposes | 39 | 626 |
| Tax effect of allowances and income not subject to tax | - | (718) |
| Special contribution for defence | 37 | - |
| Tax effect of tax losses for which no deferred tax asset was recognised | <u>83.797</u> | <u>212.991</u> |
| Tax charge | <u>37</u> | <u>-</u> |

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

9 Tax (continued)

The Company had tax losses carried forward at 31 December 2006 amounting to C£2,774,359 (2005: C£2,291,850). No deferred tax is recognised in view of the uncertainties of realisation of future profits against which such losses could be utilised.

The Company is subject to corporation tax on taxable profits at the rate of 10%.

Under certain conditions interest may be subject to defence contribution at the rate of 10%. In such cases 50% of the same interest will be exempt from corporation tax thus having an effective tax rate burden of approximately 15%.

10 Plant and equipment

| | Furniture and fixtures € | Total € |
|------------------------------------|--------------------------------|---------------|
| At 1 January 2005 | | |
| Cost | 38,970 | 38,970 |
| | <u>38,970</u> | <u>38,970</u> |
| Net book amount | | |
| Year ended 31 December 2005 | | |
| Opening net book amount | 38,970 | 38,970 |
| Depreciation charge | (4,264) | (4,264) |
| Disposals | (34,706) | (34,706) |
| | <u>-</u> | <u>-</u> |
| Closing net book amount | | |
| At 31 December 2005 | | |
| Cost | - | - |
| Accumulated depreciation | - | - |
| | <u>-</u> | <u>-</u> |
| Net book amount | | |
| | <u>-</u> | <u>-</u> |

In the cash flow statement, proceeds from sale of plant and equipment comprise:

| | 2006 € | 2005 € |
|---|-----------|---------------|
| Net book amount | - | 34,706 |
| Profit on sale of plant and equipment | - | 216 |
| | <u>-</u> | <u>34,922</u> |
| Proceeds from sale of plant and equipment | | |
| | <u>-</u> | <u>34,922</u> |

11 Non-current receivable

| | 2006 € | 2005 € |
|--|------------------|------------------|
| Receivable from related party (Note 18c) | 2,944,405 | 1,815,000 |
| | <u>2,944,405</u> | <u>1,815,000</u> |

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

12 Trade and other receivables

| | 2006 € | 2005 € |
|---|----------------|------------------|
| Trade receivables | 54.617 | 2.865.914 |
| Prepayments | 78.240 | 88.570 |
| Receivables from related parties (Note 18c) | 35.252 | 16.013 |
| Other receivables | 34.283 | 2.579 |
| | <u>202.392</u> | <u>2.973.076</u> |

The fair value of trade and other receivables, which are due within one year, approximates their carrying amount at the balance sheet date.

13 Cash and cash equivalents

| | 2006 € | 2005 € |
|--------------|---------------|----------------|
| Cash at bank | <u>57.658</u> | <u>139.129</u> |

Cash and bank overdrafts include the following for the purposes of the cash flow statement:

| | 2006 € | 2005 € |
|---------------------------|--------------------|--------------------|
| Cash and cash equivalents | 57.658 | 139.129 |
| Bank overdrafts (Note 15) | (1.513.980) | (1.446.901) |
| | <u>(1.456.322)</u> | <u>(1.307.772)</u> |

14 Share capital

| | Number of shares | Share Capital | | Share Premium | | Total | |
|---------------------|---------------------|---------------|--------|---------------|-----------|-----------|-----------|
| | | C£ | € | C£ | € | C£ | € |
| At 1 January 2005 | 11 000 | 11.000 | 18.830 | 119.000 | 204.886 | 130.000 | 223.716 |
| Issue of shares (1) | 2 000 | 2.000 | 3.477 | 402.000 | 696.018 | 404.000 | 699.495 |
| At 31 December 2005 | 13 000 | 13.000 | 22.307 | 521.000 | 900.904 | 534.000 | 923.211 |
| Issue of shares (2) | 2 000 | 2.000 | 3.467 | 1.020.870 | 1.766.533 | 1.022.870 | 1.770.000 |
| At 31 December 2006 | 15 000 | 15.000 | 25.774 | 1.541.870 | 2.667.437 | 1.556.870 | 2.693.211 |

The total authorised number of ordinary shares is 20 000 shares (2005: 20 000 shares) with a par value of C£1 per share.

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14 Share capital (continued)

- (1) On 6 May 2005 the Company issued 1 000 shares of C£1 each, at a price of C£289 per share, fully paid amounting to C£290.000. On 16 December 2005 the Company issued 1 000 shares of C£1 each, at a price of C£114 per share, fully paid amounting to C£114.000.
- (2) On 6 November 2006 the Company issued 1 000 shares of C£1 each, at a price of C£254,37 per share, fully paid amounting to C£254.370. On 27 November 2006 the Company issued 1 000 shares of C£1 each, at a price of C£768,50 per share, fully paid amounting to C£768.500.

All issued shares are fully paid.

15 Borrowings

| | 2006 € | 2005 € |
|------------------------------------|------------------|------------------|
| Current | | |
| Bank overdrafts (Note 13) | 1.513.980 | 1.446.901 |
| Bank borrowings | 2.484.110 | 2.498.223 |
| | <u>3.998.090</u> | <u>3.945.124</u> |
| Non-current | | |
| Loan from related party (Note 18d) | 641.479 | 341.342 |
| | <u>4.639.569</u> | <u>4.286.466</u> |

The bank loans and overdrafts are secured by guarantees from the holding company for an unlimited amount (Note 18f).

The weighted average effective interest rates at the balance sheet date were as follows:

| | 2006 % | 2005 % |
|------------------------------------|-----------|-----------|
| Bank borrowings | 5,3 | 5,3 |
| Bank overdrafts | 5,3 | 5,3 |
| Loan from related party (Note 18d) | 3,5 | 3,5 |

The Company's bank borrowings and bank overdrafts are arranged at floating rates. For borrowings at floating rates, the interest rate reprises on a monthly basis exposing the Company to cash flow interest rate risk.

The carrying amounts of bank overdrafts and bank loans approximate their fair value.

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

16 Trade payables

| | 2006 € | 2005 € |
|--|------------------|------------------|
| Trade payables | 15.992 | 3.075.135 |
| Payables to related parties (Note 18b) | 1.046.200 | 875.969 |
| Other payables | 11.646 | 130.188 |
| | <u>1.073.838</u> | <u>4.081.292</u> |

The fair value of trade and other payables, which are due within one year, approximates their carrying amount at the balance sheet date.

17 Investment in subsidiary

| | 2006 € | 2005 € |
|---------------------------|-----------|-----------|
| At beginning of year | - | - |
| Acquisition of subsidiary | 1.735 | - |
| Disposal of subsidiary | (1.735) | - |
| | <u>-</u> | <u>-</u> |
| At end of year | <u>-</u> | <u>-</u> |

On 15 June 2006 the Company acquired 1 000 shares of C€1 each in Verden Limited, a company incorporated in Cyprus, representing 100% of its share capital, for €1.735 or C€1.000.

On 18 December 2006 the Company sold its 100% holding in Verden Limited, representing 1 000 shares of C€1 each, for €1.735 or C€1.000.

18 Related party transactions

The Company is controlled by Aktor S.A., incorporated in Greece, which owns 100% of the Company's shares. The Company's ultimate controlling party is Hellenic Technodomiki TEB A.E., a company listed in the Athens Stock Exchange.

The following transactions were carried out with related parties:

(a) Purchases of services

| | 2006 € | 2005 € |
|------------|-----------|---------------|
| Aktor S.A. | <u>-</u> | <u>64.856</u> |

Purchases from the holding company were made on commercial terms and conditions.

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

18 Related party transactions (continued)

(b) Year-end balances arising from purchases of services

| | 2006 € | 2005 € |
|---|------------------|----------------|
| Payables to related parties (Note 16): | | |
| Aktor S.A. | 1.046.200 | 846.199 |
| Millennium Construction Equipment & Trading LLC | - | 29.770 |
| | <u>1.046.200</u> | <u>875.969</u> |

(c) Receivables from related parties

| | 2006 € | 2005 € |
|---|------------------|------------------|
| Current receivables (Note 12) (1): | | |
| Aktor Constructions International Limited | 27.779 | 16.013 |
| AECO (Holdings) Limited | 7.473 | - |
| | <u>35.252</u> | <u>16.013</u> |
| Non-current receivable (Note 11): | | |
| Millennium Construction Equipment & Trading LLC (2) | 2.944.405 | 1.815.000 |
| Total receivables from related parties | <u>2.979.657</u> | <u>1.831.013</u> |

(1) Current receivables from related parties bear no interest and there is no specified repayment date.

(2) Non-current receivable from Millennium Construction Equipment & Trading LLC bears no interest and there is no specified repayment date. The receivable is guaranteed by the holding company, Aktor S.A..

(d) Loan from related party

| | 2006 € | 2005 € |
|---|----------------|----------------|
| Non-current loan (Note 15): | | |
| Aktor Constructions International Limited | 641.479 | 341.342 |
| | <u>641.479</u> | <u>341.342</u> |

The loan from Aktor Constructions International Limited was provided with an interest rate of 3,5% and is repayable within 5 years from the date of issue. The loan is guaranteed by the holding company, Aktor S.A.. The interest on the loan charged in the year amounted to €20.162 (2005: €6.342) (Note 8).

Gulf Millennium Holdings Limited (formerly Aktor Operations Limited)

18 Related party transactions (continued)

(e) Directors' remuneration

The total remuneration of the Directors was as follows:

| | 2006 € | 2005 € |
|------|------------|------------|
| Fees | <u>876</u> | <u>870</u> |

(f) Guarantees from related parties

The bank loans and overdrafts of the Company are secured by guarantees by the holding company for an unlimited amount (Note 15).

19 Events after the balance sheet date

There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

Independent Auditors' Report on pages 4 to 6.

Gulf Millennium Holdings Limited
(formerly Aktor Operations Limited)

Analysis of expenses
for the year ended 31 December 2006

| | 2006 | 2005 |
|--|------------------|------------------|
| | € | € |
| Operating expenses | | |
| Directors remuneration | 876 | 870 |
| Salaries | 687,027 | 954,458 |
| Casual labour | 5,838 | 58,379 |
| Auditors' remuneration | 6,905 | 6,266 |
| Auditors' remuneration prior years | - | 1,664 |
| Consultancy services | 315,115 | 260,102 |
| Professional fees | 62,340 | - |
| Legal fees | 55,124 | 17,395 |
| Accounting and administration expenses | 51,791 | 53,098 |
| Rent expense | 36,634 | 60,946 |
| Site support services | 28,080 | 73,108 |
| Travelling expenses | 6,164 | 18,641 |
| Postages, telephones and telexes | 4,621 | 33,781 |
| Accommodation expenses | 4,081 | 65,319 |
| Transportation expenses | 3,493 | 42,532 |
| Bank charges | 2,709 | 6,769 |
| Courier expenses | 2,422 | 17,369 |
| Printing and stationery | 2,055 | 4,313 |
| Office supplies | 1,042 | 23,096 |
| Legalisation of documents | 745 | 21,340 |
| Marketing and promotion | 505 | 3,477 |
| Professional taxes | 389 | 368 |
| Secretarial fees | 350 | 348 |
| Registered office fees | 348 | 340 |
| Site supplies | - | 162,510 |
| Hired equipment | - | 123,992 |
| Repairs and maintenance | - | 1,589 |
| Sundry expenses | 2,969 | 20,046 |
| Depreciation of plant and equipment | - | 4,264 |
| | <u>1,281,623</u> | <u>2,036,380</u> |