annual report **2006**

Port of Salalah

Key *Performance Indicators*

Port of Salalah	2003	2004	2005	**2006**
Key operational data				
Crane capacity in TEU ('000)	2,220	2,220	2,530	2,530
TEU ('000)	2,001	2,229	2,492	2,390
Tonnes ('000)	1,343	1,534	1,788	2,308
Container Terminal vessel calls	1,184	1,253	1,386	1,321
General Cargo Terminal vessel calls	912	1,060	1,069	1,234
Headcount	1,147	1,311	1,491	1,442
Operational ratio analysis				
Net crane productivity	33.10	32.70	32.70	32.30
Gross crane productivity	30.00	29.00	29.80	29.40
TEU handled per employee	1,745	1,700	1,671	1,657
TEU per quay metre	1,619	1,803	2,016	1,934
TEU per quay crane	166,772	185,712	226,519	217,273
Capacity utilization	90%	100%	98%	94%
Key financial data				Figures in RO ' 000
Revenue	22,128	24,308	26,737	27,918
Gross profit	11,649	12,168	12,841	12,570
Cash profit	7,197	7,835	8,113	8,285
Net profit / (loss)	4,082	3,624	4,095	4,154
Equity capital	17,984	17,984	17,984	17,984
Net worth	25,889	27,668	30,288	32,818
Term debt obligations	21,105	17,709	18,850	26,879
Financial ratio analysis				
Operating profit ratio	53%	50%	48%	45%
Net profit margin	18.4%	14.9%	15.3%	14.9%
Cash earnings per share (RO)	0.400	0.436	0.451	0.461
Earnings per share (RO)	0.227	0.202	0.228	0.231
Book value per share (RO)	1.440	1.538	1.684	1.825

Our Mission

- Providing efficient and reliable service to our customers
- Offering our colleagues a safe and inspiring place to work
- Contributing to local society and the Sultanate of Oman
- Delivering sustainable, profitable growth to our shareholders

Fact *File*

Container Terminal

- Total area of 550,000 m^2
- 54 Hectares of land developed
- 1,236 Metres quay wall
- 16 Metres harbour depth
- 16.5 Metres approach channel
- 500 Metres turning basin
- Vessel tracking system
- 4 Speed loaders
- 7 Fork lifts
- 17 Super post panamax cranes
- 38 Rubber tyred gantries
- 108 Tractors and 128 trailers
- 3 Tugs
- 9 Reach stackers
- 2 Top loaders
- NAVIS yard and vessel planning system
- Radio data terminals
- VHF radios

General Cargo Terminal

- 2,039 Metres quay length
- 4 Luffing cranes
- 4 Mobile cranes
- 9 Mafi trailers
- 16 Fork lifts
- Covered storage 12,000 m^2
- Open storage 200,000 m^2

Port Services

- Stevedoring of containers and general cargo
- Refrigerated container sockets
- Container maintenance and repair
- Tug services
- Pilotage
- Bunkering
- Warehousing
- Real estate leasing

His Majesty Sultan Qaboos Bin Said

Contents

Directors' Report

Dear Shareholders,

On behalf of the Board of Directors, I welcome you to the Ninth Annual General Meeting of your company and take pleasure in presenting the annual report along with the audited accounts for the year ended December 31, 2006.

From left: **Prasad Narayan** (Chief Financial Officer), **Sultan Salim Al Habsi** (Director)
Tiemen Meester (Chief Executive Officer), **Abdul Aziz Ali Shanfari** (Chairman),
Abu Bakr Bin Salim Bin Alawi Al-Dheeb (Vice Chairman), **Tommy Bro Mølgaard** (Director),
Hamed Bin Suleman Al Shereqi (Director)
Not in picture: **Peder Søndergaard** (Director)

Year 2006 will perhaps become one of the most transformational years in the history of our company. We increased our focus on accelerating the capacity developments to augment our growth strategy in both Container and General Cargo Terminal segments.

During this year, we announced our intentions to aim at growth in Container Terminal beyond the present expansion of berths 5 and 6.
We supported this intention by drawing up the Master Plan for the development of the Port of Salalah over the next 20 years and have set in motion a phased development plan which will increase our present capacity by over 200% in the next seven years. This journey of transformation presents exciting opportunities for Port of Salalah as well as for the local community.

We continued to operate at full capacity at our Container Terminal during 2006 and recorded a volume throughput of 2.4 million TEU. Capacity limitations at the container terminal has limited our ability to push for more volumes as network changes were being implemented by the shipping lines. We are confident that this volume drop is only a temporary phase and that the forecasts remain robust for the future. The General Cargo Terminal recorded impressive volume growth of 29% and handled a total of 2.3 million Tonnes during 2006.

During 2006, we implemented a new shift pattern allowing improved work timing for our workforce resulting in increase in personnel costs. This increase has been partly compensated by the downward revision in the management fees and accordingly, we have been able to maintain the Company's profitability at RO 4.2 million for 2006 in line with the previous years.

Productivity at the Container Terminal remained stagnant at around 30 moves an hour with no material improvements over last year. Quality service delivery through sustained improvements in productivity is critical to our success and we have during 2006 looked at innovative strategies to improve our operational performance. I am pleased to state that we have partnered with M/s Cavotec and Mooring Systems of New Zealand in testing their Moore Master units in Salalah. These units have the capability to handle the berthing and unberthing activities without the need of ropes by holding the vessel at predetermined position off the fender line. They will also speed up the time taken for ships to arrive and depart the berth from around an hour to a matter of minutes giving improvement to berth occupancy. We are the first Container Terminal in the world to operate with this technology and the tests so far have been successful. This product has the potential to redefine the way ships berth at a world class port in the times to come. Port of Salalah is proud to be a part of this “innovative technology” and demonstrates the vision of your management in looking beyond today in improving service standards. During the year, we have also begun looking at our internal efficiencies and have initiated a program titled “Process Excellence”. This initiative is being supported by our managers APM Terminals and will ultimately result in aligning our internal processes in line with six sigma and lean methodologies. While this is a long term project, we are committed to take this initiative to its logical end which will result in improved internal efficiencies.

We expect berth 5 to be available during the second quarter of this year and berth 6 during the first quarter of 2008. Berths 1 to 6 will have a total quay length of 2,205 meters and will be able to handle around 4.5 million TEU. We have already spent and committed RO 30 million in equipping berth 5 and these assets are presently being commissioned. In line with our continued focus on developing the General Cargo Terminal business, we have already invested RO 900K over the last two years and a further investment of RO 550K is envisaged in year 2007. The Board of Directors is pleased to recommend the distribution of a dividend of 12% on the paid up equity share capital of the company. This works out to 120 Baizas per share resulting in a total cash disbursal of RO 2,158,049.

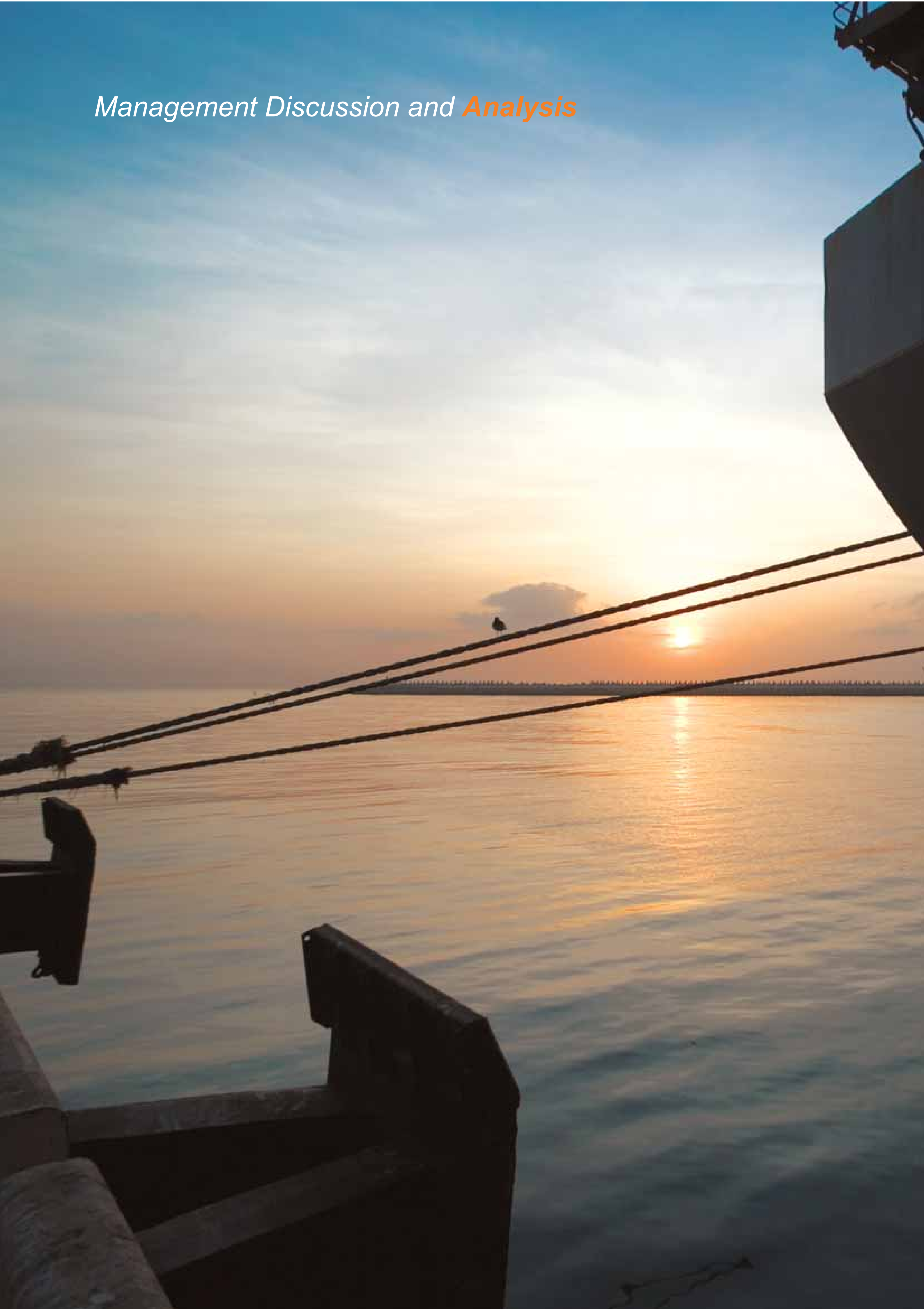
Your Company is well positioned to implement the business strategies in the years to come to grow volumes in both the container and general cargo terminal segments as additional capacities become available. However as we target substantial volume growth over the next few years, our net profit margins will continue to remain under pressure due to the capital intensive nature of our industry and the competitive landscape. I am happy to state that the management is committed to secure additional customers to support our growth strategy.

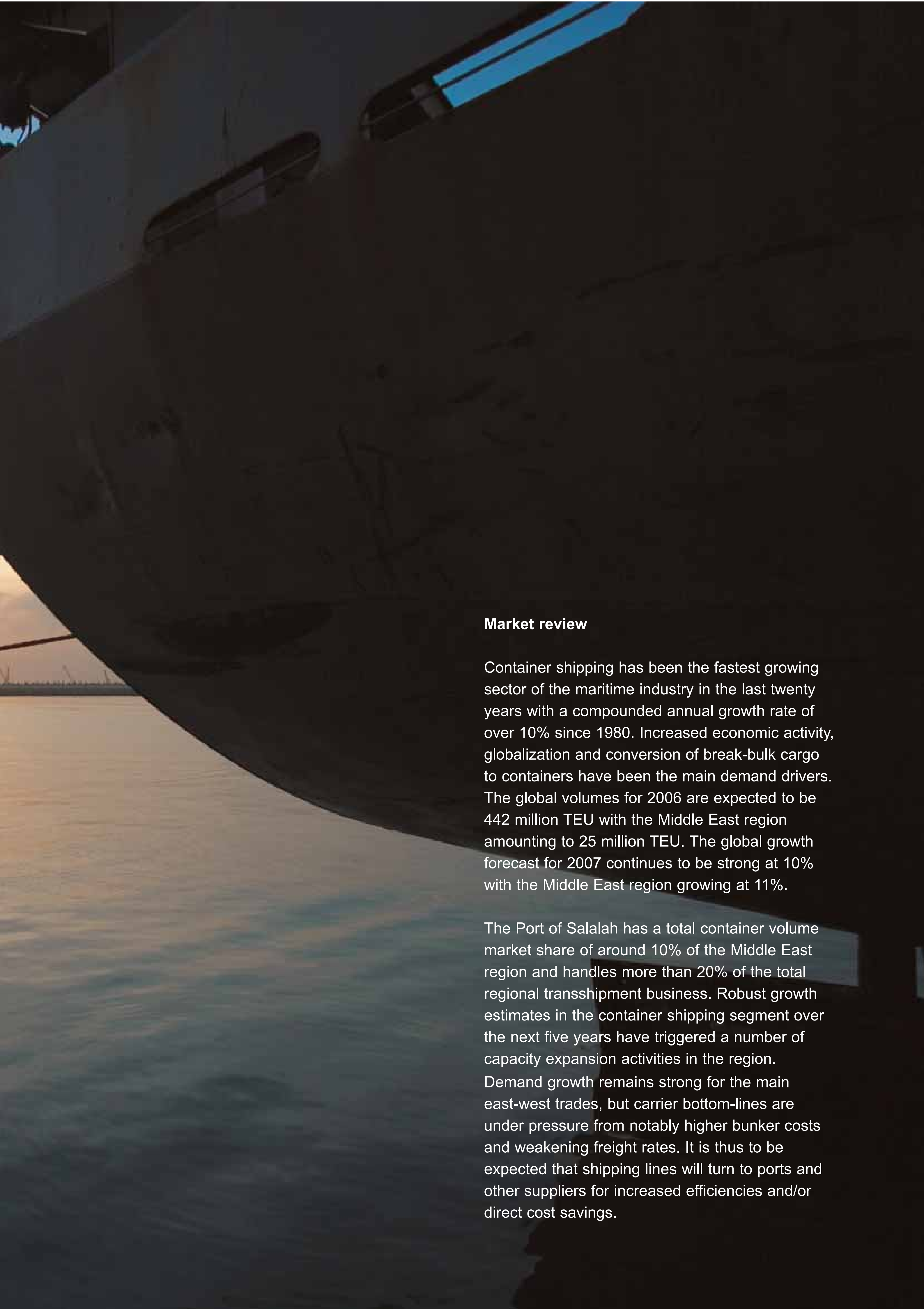
On behalf of the Board of Directors and the shareholders of the company, I would like to express our sincere appreciation and gratitude to His Majesty Sultan Qaboos Bin Said, for his strategic vision, leadership and continued support without which it would not have been possible to establish and maintain a world class port.

I also take this opportunity to express our great appreciation for the enthusiastic support from our customers, the shipping lines, contractors and suppliers. The employees of the Company have provided steadfast support to the Company in all its efforts for which our sincere thanks are due to them.

Abdul Aziz Bin Ali Shanfari
Chairman
February 20, 2007

Management Discussion and Analysis





Market review

Container shipping has been the fastest growing sector of the maritime industry in the last twenty years with a compounded annual growth rate of over 10% since 1980. Increased economic activity, globalization and conversion of break-bulk cargo to containers have been the main demand drivers. The global volumes for 2006 are expected to be 442 million TEU with the Middle East region amounting to 25 million TEU. The global growth forecast for 2007 continues to be strong at 10% with the Middle East region growing at 11%.

The Port of Salalah has a total container volume market share of around 10% of the Middle East region and handles more than 20% of the total regional transshipment business. Robust growth estimates in the container shipping segment over the next five years have triggered a number of capacity expansion activities in the region. Demand growth remains strong for the main east-west trades, but carrier bottom-lines are under pressure from notably higher bunker costs and weakening freight rates. It is thus to be expected that shipping lines will turn to ports and other suppliers for increased efficiencies and/or direct cost savings.

vessel schedules following the acquisition of Anglo-Dutch container shipping Line P&O Nedlloyd. In the process we witnessed subdued volumes in the Container Terminal segment during the last 3 quarters of the year with some recovery noted in November and December.

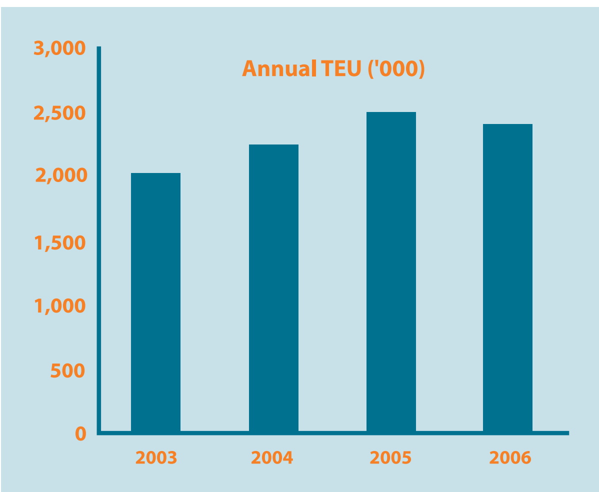
Although other customers performed as expected, the end result was that the Port of Salalah after a continuous three year increase in Container Terminal throughput registered a marginal drop in the volumes by 4%. The volumes recorded 2.4 million TEU during 2006 against 2.5 million TEU for the year 2005. However, the reefer volumes breaking from the trend presented an impressive 23% growth over the previous year. The average reefer dwell days for the year were 4.62 as compared to 4.25 of year 2005.
Service delivery to customers continued to remain an area of thrust with all efforts to sustain

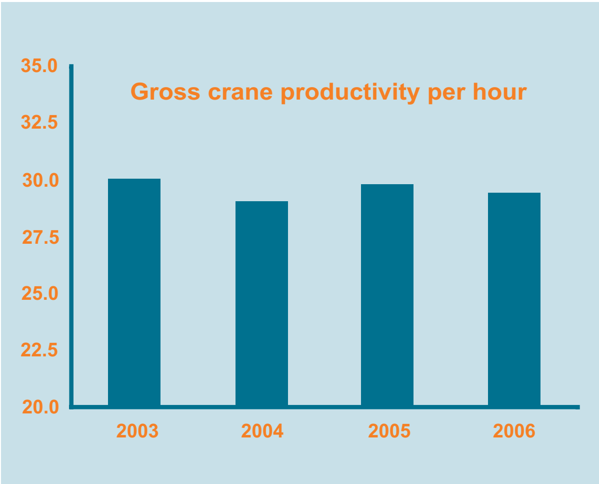
The general cargo segment of our business is also on an impressive growth trajectory with 29% volume growth in 2006. Increasing volumes from the existing cement and limestone segments along with the new business opportunities from the petrochemical industry will be the main growth drivers in the coming years.

Operations review

Container Terminal

In February 2006 the Port of Salalah's biggest customer, Maersk Line, began realigning its



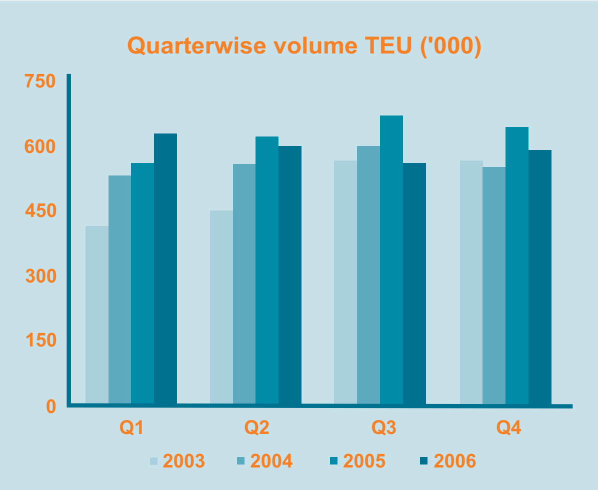


productivity in the face of the variations witnessed in the volumes as explained earlier. The temporary shortfall of volumes has provided the company with an opportunity to strengthen its internal resources so as to be ready to handle the bigger opportunities when berths 5 and 6 come on stream.

The port's gross crane productivity remained at an annual average of around 30 Gross Moves per Hour. Our customers experienced substantial changes to their activities during 2006, and we continue to work closely with them to respond to their ever changing requirements. We have put initiatives in place at the end of 2006 to increase our average productivity by at least 10% in 2007 from the present levels.

The year began positively with the first quarter volumes growing by 12% over the previous year, with the year's highest volumes of 236K handled in March. Despite schedule realignments mentioned above, an average of 195K TEU was handled in the remaining 11 months with recovery seen towards the end of the year.

The safety of people in and around the port remains the highest priority. Our LTA rate during



the year was maintained at around 4(accidents per 200,000 man hours). In the last quarter of 2006 a new Senior Management Safety Committee was formed and new, stricter reporting procedures, timelines and procedures were implemented.

General Cargo Terminal

The General Cargo Terminal's growth potential was further underlined by the sixth consecutive year of double digit growth. We handled 2.308 million Tonnes of general and bulk cargo during the year as against the 1.788 million Tonnes in 2005, for an impressive 29% growth. Increasing limestone and cement exports along with project cargo contributed strongly to this growth.

To keep up with the developments and facilitate further profitable growth, we prepared a long term business plan that will also enhance the operational and cost efficiencies of this division. We initiated the first step towards developing an internationally competitive gateway for import and export of commodities through the deployment of additional human resources power under the division's General Manager that has complete focus on the segment's activities.

To further drive developments, the General Cargo Terminal was equipped with two additional 30-tonne mobile harbour cranes. We invested RO 900K during the year and review further capital investments during 2007, keeping in view the development of local industry and the Salalah Free Zone. We have also implemented in-house developed software known as 'Delta' for capturing daily operational and marine activities.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P&O Nedlloyd
P&O
MAERSK SEALAND

Human resources and training

Year end headcount was 1,442 compared to 1,491 in 2005 and the Omanisation continued at 67%. We trained 491 local nationals in the areas of equipment operation, safety, supervision and management during the year, and we promoted more than 150 local nationals to higher responsibilities.

The Local National Graduate Training Program for 2006-2007 with the cooperation of the Ministry of Manpower was initiated on 28 May 2006. Currently 53 Omani graduates are being trained in the various aspects of port operations. Various internships were also provided in line with the organisation commitment to the development of local nationals and Omanisation.

During the year we also implemented an additional shift so that shift duration can be brought down to 8 hours from the earlier 12 hours. This provides improved work timing and result in adequate resting time for our workforce.

Internal control systems and their adequacy

The management is aware of its responsibilities to the shareholders and other stakeholders.
In working towards this goal, we are focused on strengthening the Port's operating procedures and

Table No. 1: Quarterly financial performance

Figures in RO'000

	Q1	Q2	Q3	Q4	Yr 2006	Yr 2005
Revenue*	7,034	7,257	6,671	6,956	27,918	26,737
Gross Profit	3,343	3,352	2,771	3,284	12,750	12,841
Cash Profit	2,206	2,168	1,921	2,001	8,296	8,113
Net Profit	1,176	1,129	871	978	4,154	4,095

**Figures for the year 2005 and first three quarters of 2006 have been reclassified for better presentation, These reclassifications do not impact previously reported net profit.*

internal controls to address critical issues including the adequacy, accuracy and reliability of financial information. The internal controls are reviewed and overseen by the Internal Audit department, which reports directly to the Audit Committee comprised of members from the Board of Directors. We are confident that the Internal Controls are adequate and will continue to monitor and update the controls as and when appropriate.

Financial review

Consolidated revenue for 2006 increased to RO 27.9 million compared to RO 26.7 million of 2005 reflecting an increase of 4.4%. Container Terminal revenue recorded a 2.3% increase in spite of the drop of volumes, primarily on account of improved business from non-stevedoring operations. General Cargo Terminal revenue grew by 24% in line with volumes, primarily due to increased export of cement, limestone and other project cargo.

Direct operating costs for the year 2006 reached 55% of the revenue against 52% for 2005. This increase is mainly because of higher personnel costs associated with the introduction of the fourth shift in 2006. Full year impact of the increase in diesel prices along with power for the reefer stacks, as well as repair and maintenance costs on the additional yard handling equipment have contributed to the increase. Other operating expenses decreased by 13.5% during 2006 when compared to year 2005 levels due to lower concession costs, primarily from the reduction in the management fees section. Administration and general expenses were maintained at a constant of 13.5% of the revenue when compared to previous years. In November 2006, we made a further US $ 30 million drawdown to fund the equipment purchases for Berth 5. This leaves us with US $ 13 million as balance which is available for drawdown till May out of the total tied up Tranch 2 facility of US $ 55 million. No major variations were seen in other cost segments.

The consolidated net profit margin for the year 2006 stood close to 15% of the revenue in line with the last year. The quarterly financial performance of the company is as shown in Table No. 1. Debt-equity ratio as at the end of the year was 0.83 to 1 compared to 0.62 to 1 at the beginning of the year. Earnings per share for 2006 stood at RO 0.230 as against RO 0.228 in 2005. Book value per share increased to RO 1.825 from RO 1.684 as at the end of 2005.

Outlook

2006 marked the beginning of the next phase of growth at Port of Salalah. The expansion with two

more berths adding and additional 969m quay and 2 million TEU throughput to the terminal capacity. During the last quarter we took the delivery of six new quayside gantry cranes and expect another seven rubber tired yard gantry cranes in February 2007. This equipment will be in service upon completion of berth 5 in the second quarter of 2007. We have spent and committed close to RO 30 million on berth 5 equipment, and benefits will be realized with the corresponding volume growth over next two to three years. Berth 6 is expected to be made available for use in second quarter of year 2008. This expansion along with the establishment of Salalah Free Zone would set us up for a double digit volume growth at both the Container and General Cargo terminals for 2007.

I also take this opportunity to express our sincere thanks to the employees of the company, the customers and the Government of Oman for a successful 2006 and solicit their continued support in the times to come.

Tiemen Meester
Chief Executive Officer
February 20, 2007

Executive Committee

- **Tiemen Meester**
  Chief Executive Officer
- **Prasad Narayan**
  Chief Financial Officer
- **Humberto Godfried Wieske**
  Director, Sales & Marketing
- **Gary Lemke**
  Chief Operating Officer
- **Ahmed Ali Issa Akaak**
  General Manager, Human Resources
- **Alex Duca**
  Senior Manager, IT
- **Ahmed Abdullah Taher Ba'Omar**
  General Manager, Harbour & Maritime Affairs
- **Chris Holt**
  Senior Manager, Project Development
- **Engineer Awadh Al Shanfari**
  General Manager, GCT


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Sultanate of Oman

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Report to the Shareholders of Salalah Port Services SAOG ("the Company") of Factual Findings in connection with the Corporate Governance Report of the Company and application of the Corporate Governance practices in accordance with Capital Market Authority Code of Corporate Governance

We have performed the procedures prescribed in the Capital Market Authority ("CMA") Circular No. 16/2003 dated 29 December 2003 with respect to the Corporate Governance Report of the Company ("the Report") and its application of the Corporate Governance practices in accordance with the CMA Code of Corporate Governance ("the Code") issued under Circular No. 11/2002 dated 3 June 2002, as amended. The Report is set out on pages 1 to 9.

Our engagement was undertaken in accordance with the International Standards on Auditing applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the Company's compliance with the Code as issued by the CMA.

We found the Report reflects, in all material respects, the Company's application of the provisions of the Code and is free from any material misrepresentation.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing, we do not express any assurance on the Company's Corporate Governance Report. Had we performed additional procedures or had we performed an audit or review of this Report in accordance with International Standards on Auditing other matters might have come to our attention that would have been reported to you.

This report is solely for the purpose set forth in the second paragraph above, and for inclusion, with the Report, in the Company's annual report, and is not to be used for any other purpose. This report relates only to the Report included in the Company's annual report for the year ended 31 December 2006 and does not extend to the financial statements or any other reports of Salalah Port Services SAOG, taken as a whole.

KPMG

20 February 2007

KPMG

Corporate Governance

Corporate Governance pertains to systems by which companies are directed and controlled, keeping in mind long-term interest of the stakeholders.

It refers to a blend of law, regulation and voluntary practices, which enable a company to attract financial and human capital, perform efficiently and thereby perpetuate economic value for its shareholders, with due respect to the interests of other stakeholders and the society as a whole.

It aims to align the interests of a company with that of its shareholders and other stakeholders. The incentive for companies, and those who own and manage them, to adopt global governance standards, is that these standards will help them to achieve a long-term partnership with its stakeholders and achieve their corporate objectives efficiently.

The principal characteristics of Corporate Governance are:

• Transparency • Independence
• Accountability • Responsibility • Fairness
• Social Responsibility

Corporate Governance at Salalah Port Services Co. (SAOG)

The Company's philosophy of Corporate Governance is aimed at maximizing shareholder value and protecting the interest of other stakeholders. The Company aims to achieve this through adequate and appropriate disclosure of material facts and achievements, transparency, accountability and equity in all facets of its operations. The Company also believes that it is essential to have clear policies assuring that all involved in the process of managing the Company, from the Board of Directors down, are able to act in the best interest of shareholders. The Company is committed to comply with the Capital Market Authority guidelines on corporate governance and disclosure practices.

Board of Directors

The Board of Directors comprises six members and is responsible for the management of the Company's business. The Board's role, functions and responsibilities are clearly defined. In addition to its primary role of monitoring corporate performance, the functions of the Board also include:

- Approving corporate vision, mission and objectives
- Establishing and approving the formulation of strategic business plans
- Reviewing and approving financial plans and budgets
- Monitoring and reviewing corporate performance
- Ensuring compliance of laws and regulations
- Selection and recruitment of Chief Executive Officer

Composition of the Board of Directors as on December 31, 2006 is listed in Table No. 2.

During the financial year 2006 four Board meetings were held on the following dates:

- February 22, 2006
- April 11, 2006
- September 18, 2006
- December 5, 2006

The Chief Executive Officer acts as the Secretary to the Board.

Attendance of each Director at the Board Meeting, last Annual General Meeting, sitting fees

Table No. 2: Composition of the Board of Directors as on December 31, 2006.

Name	Category
Mr. Abdul Aziz Ali Shanfari	Non-executive, Independent & Elected
Mr. Abu Bakr Salim Alawi Al Dheeb	Non-executive, Independent & Nominated
Mr. Sultan Salim Al-Habsi	Non-executive, Independent & Nominated
Mr. Peder Søndergaard	Non-executive, Independent & Elected
Mr. Tommy Bro Mølgaard	Non-executive, Independent & Nominated
Mr. Hamad Suleman Rashid Al Shereiqi	Non-executive, Independent & Elected

Table No. 3: Attendance of each Director at the Board Meeting, last Annual General Meeting, sitting fees paid and number of other Directorships of each Director in various Omani companies.

Name of Director	Attendance Particulars		Sitting fees (in RO)	No. of Directorships in other entities
	Board meeting	Last AGM		
Mr. Abdul Aziz Ali Shanfari	4	Yes	3,200	1
Mr. Sultan Salim Al-Habsi	4	Yes	3,200	3
Mr. Peder Søndergaard	3	No	2,400	0
Mr Tommy Bro Mølgaard	4	Yes	3,200	0
Mr Abu Bakr Salim Alawi Al Dheeb	4	Yes	3,200	1
Mr. Hamad Suleman Rashid Al Shereiqi	4	Yes	3,200	0

***Note:** Mr. Abdul Aziz Ali Shanfari is the Chairman of the Board of Directors of the Company. None of the Directors hold the position of Chairman in any other Omani joint stock company.*
A. P. Moller Terminals & Co. LLC is the Manager of the Company with responsibility of operation and day-to-day management of the Company, in accordance with the terms and conditions of the Management Agreement.

Table No. 4: Number of meetings attended by each member.

Member	No. of meetings	Sitting fees (in RO)
Mr Sultan Salim Al-Habsi	4	2,000
Mr Hamad Suleman Rashid Al Shereiqi	4	2,000
Mr Tommy Bro Mølgaard	4	2,000

paid and number of other Directorship of each Director in various Omani companies is shown in Table No. 3.

Audit and other committees

a) Audit Committee terms of reference:
Terms of reference of the Audit Committee are as per the guidelines set out by Capital Market Authority and include overseeing of financial reporting process, reviewing with the management the financial statement and adequacy of internal control system, reviewing the adequacy of internal audit function and discussion with Internal Auditor on significant findings.
The members of the Auditing Committee are governed by the provisions of liability stipulated in Article 109 of the Commercial Companies Law, without prejudice to their liabilities resulting from their membership of the Board of Directors.

Following directors are the members of the Audit Committee:

- Mr. Sultan Salim Al-Habsi – Chairman
- Mr. Hamad Suleman Rashid Al Shereiqi
- Mr. Tommy Bro Mølgaard

The members of the Audit Committee are independent and have knowledge of finance, accounts, company law and the shipping industry. The quorum for the audit committee is a minimum of two members to be present.
The Internal Auditor acts as the Secretary to the Audit Committee.

During the year 2006, five Audit Committee meetings were held. The number of meetings attended by each member is listed in Table No. 4.


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The Audit Committee approves the quarterly un-audited and annual audited financial statements. The Audit Committee, on behalf of the Board has regularly reviewed the internal control environment of the Company. They meet the Internal Auditor on a regular basis to review the internal audit reports, recommendations and management comments thereupon.

Mr. Ashwani Jhamb has been working as Internal Audit Manager for the company. Audit Committee members have also met the external auditors to review audit findings and management letter.

The Audit Committee has met the internal and external auditors in absence of management as required under the code of Corporate Governance.

The Audit Committee also briefs the Board about the effectiveness of internal controls in the Company. The Audit Committee and the Board

are pleased to inform the shareholders that an adequate and effective internal control system is in place and that there are no significant concerns.

b) Tariff Committee terms of reference:

- To provide guidelines to create a tariff to SPS management;
- To benchmark the proposed tariff structure against the provisions in the

Table No. 5: General shareholders information

AGM: Date	**March 28, 2007**
Time	10:00 AM
Venue	Salalah Hilton, Salalah
Financial Year	2006
Date of Book Closure	**March 28, 2007**
Dividend payment date	The dividend, if approved by the shareholders, will be paid within the statutory time limit.
Listing on Stock Exchange	Muscat Securities Market
Registrar and share transfer agents	Muscat Depository Securities Registration Company
Market price data	See Table No. 6
Distribution of shareholders	See Table No. 7
Ten major shareholders	See Table No. 8
Port location	Port Salalah, about 20 km west of Salalah, Dhofar, Sultanate of Oman.
Address of correspondence	Salalah Port Services Co SAOG, Al Jawhara Building, Shatti Al Qurum, P.O. Box 105, Muscat, P.C. 118, Sultanate of Oman.

Concession Agreement and to address any difference with the Government; and
- To test the proposed tariff structure against the financial plan.

The following Directors are the members of the Tariff Committee:
- Mr. Peder Søndergaard – Chairman
- Mr Abu Bakr Salim Alawi Al Dheeb
- Mr. Sultan Salim Al-Habsi

During the year 2006, the Tariff Committee did not meet as there were no proposals to change any Tariff.

Process for nomination of Directors

In accordance with the amendment in Article 97 to the Commercial Companies Law, all Directors must be voted on to the Board using the cumulative voting process. Notwithstanding the above provision, the Government of the Sultanate of Oman shall have the power to nominate one member of the Board of Directors, who shall be a representative of the Government of the Sultanate of Oman, irrespective of whether the Government continues to be a shareholder of the Company or not.

Table No. 6: Market price data

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2006
Share price (RO)					
High	5.560	5.200	5.600	5.700	5.700
Low	4.700	4.500	4.750	5.200	4.500
Opening	5.100	5.100	4.750	5.500	5.100
Closing	5.100	4.750	5.500	5.299	5.299
Volume	128,095	698,806	148,212	25,042	1,000,155
Trade Value (RO)	431,487	3,346,176	760,319	136,181	4,674,163
Services Sector Index					
Opening	1976	2198	2057	2267	1976
Closing	2198	2057	2267	2324	2324

Table No. 7: Distribution of shareholding as on December 31, 2006

Number of equity shares held	No. of shares held	% of total shares	No. of shareholders	% of total shareholders
1 to 100	20,017	0.11%	1,255	84.68%
101 to 500	23,365	0.13%	99	6.68%
501 to 1,000	29,031	0.16%	39	2.63%
1,001 to 10,000	200,264	1.11%	56	3.78%
10,001 to 100,000	636,274	3.54%	20	1.35%
100,001 and above	17,074,789	94.95%	13	0.88%
Total	**17,983,740**	**100.00%**	**1,482**	**100.00%**

Table No. 8: Top 10 Shareholders as on December 31, 2006

S No.	Name	No. of Shares	%age
1	A P Moller Finance SA	5,418,000	30.13%
2	Government of Oman (Ministry of Finance)	3,612,000	20.08%
3	Dhofar International Development & Investment Co. SAOG	1,958,800	10.89%
4	The Ministry of Defence Pension Fund	1,798,374	10.00%
5	The Public Authority for Social Insurance	1,158,433	6.44%
6	HSBC A/C HSBC BK PLC A/C IB Main Account	742,438	4.13%
7	National Equity Fund	539,512	3.00%
8	The Civil Service Pension Fund	504,425	2.80%
9	State General Reserve Fund (Ministry of Finance)	435,607	2.42%
10	Qais Omani Establishment	361,200	2.01%
	Total	**16,528,789**	**91.91%**

Communication with shareholders and investors

- The quarterly results were published in local newspaper both in Arabic as well in English.
- The company also has a website by the name of www.salalahport.com and the full quarterly results have been posted on it.
- The Company has made no presentations to the institutional investors or to the analysts during the year.
- Management Discussion & Analysis Report forms part of the Annual Report.

Remuneration

Details of the remuneration to Directors
Remuneration paid to the Directors besides Board sitting fees during year 2006 is RO 30,000 (Year 2005 – RO 30,000).


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GENSTAR

Table No. 9: General Body Meeting

The details of AGMs and EGMs held by the Company during the previous years are as follows:

Financial Year	Meeting	Location	Date	Time
1998	AGM	Holiday Inn, Salalah	April 28, 1999	5:00 PM
1999	AGM	Hilton, Salalah	April 26, 2000	5:00 PM
2000	AGM	Hilton, Salalah	April 24, 2001	5:00 PM
2001	EGM	Hilton, Salalah	April 24, 2001	3:00 PM
2001	AGM	Hilton, Salalah	April 24, 2002	5:00 PM
2002	AGM	Hilton, Salalah	April 30, 2003	10:00 AM
2003	EGM	Hilton, Salalah	April 28, 2004	10:00 AM
2003	AGM	Hilton, Salalah	April 28, 2004	11:00 AM
2004	AGM	Hilton, Salalah	April 20, 2005	10.00 AM
2005	AGM	Hilton, Salalah	March 29, 2006	10.00 AM

The shareholders passed all the resolutions set out in the respective notices.

Table No. 10: Details of non-compliance by the Company, penalties, strictures imposed on the Company by Muscat Securities Market or Capital Market Authority or any statutory authority, on any matter related to Capital Markets, during the last three years.

Year	Particulars
2004	• None
2005	• Duration between second and third board meeting exceeded by eighteen days beyond the four months time limit • Submission of the quarterly financial results for the period ended 30th September 2005 to CMA was delayed by one day beyond the 30-day time limit
2006	• Duration between second and third board meeting exceeded by thirty nine days beyond the four months time limit • Delay in uploading of un-audited quarterly financials on the MSM website for first and second quarter, each by one day

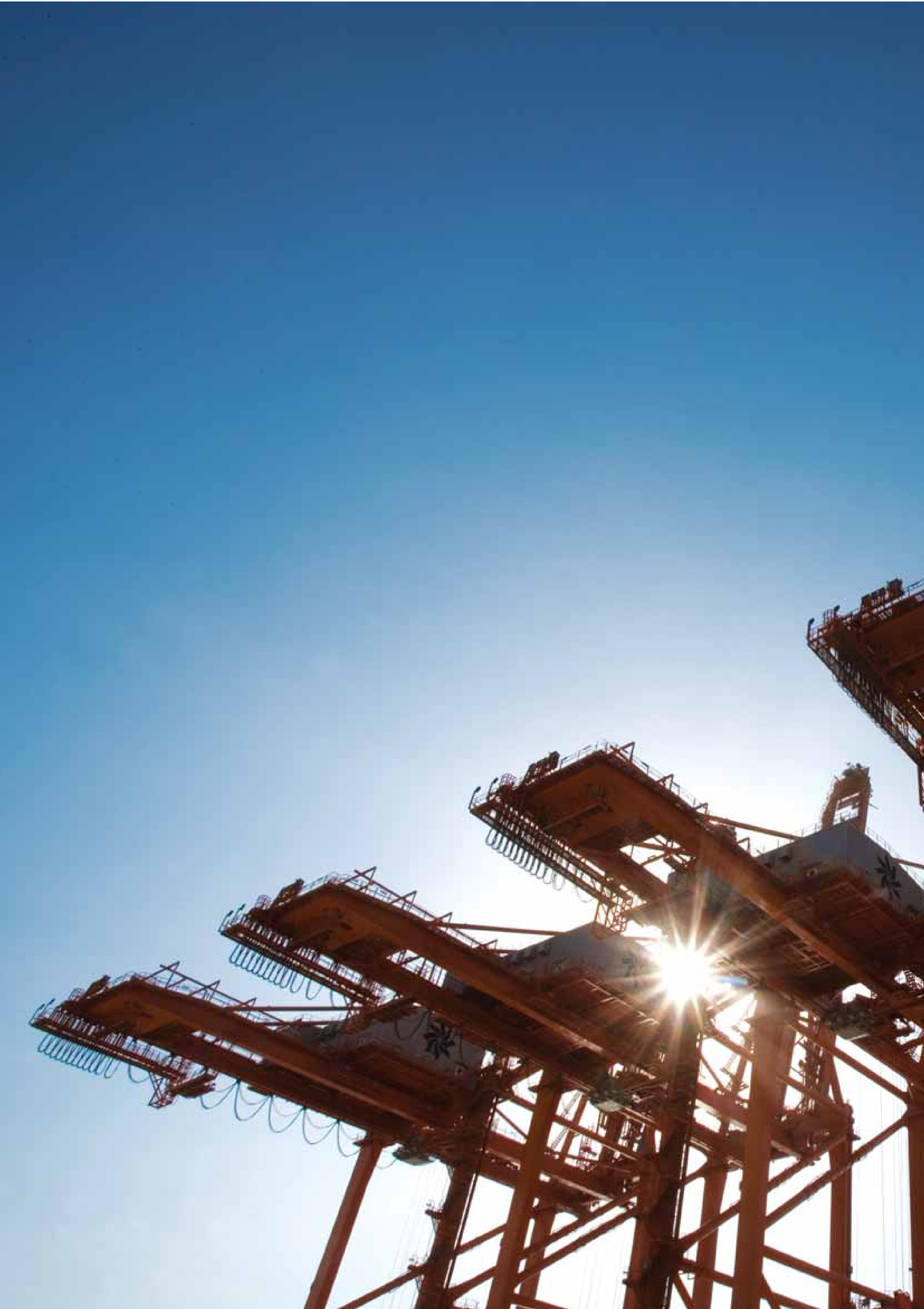
Details of the remuneration paid to top 5 officers

During the year 2006 gross salary and compensation paid to top 5 executives of the Company including variable components is RO 365,033 (Year 2005 – RO 321,791).

Professional profile of statutory auditor

The Company's statutory auditors are KPMG, an international accounting firm operating in 159 countries from 821 offices and having more than 100,000 staff. KPMG in Oman has over 70 employees including 3 partners and 12 managers.

Abdul Aziz Ali Shanfari
Chairman
February 20, 2007



KPMG
4th Floor, HSBC Bank Building
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P.C. 112
Sultanate of Oman

Tel 968 24709181
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REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF SALALAH PORT SERVICES SAOG

Report on the financial statements
We have audited the accompanying financial statements of Salalah Port Services SAOG ("the Company") set out on pages 2 to 27, 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.

Management responsibility for the financial statements
The Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the disclosure requirements of the Capital Market Authority and the Commercial Companies Law of 1974, as amended. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
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 relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessments of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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 principles used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Salalah Port Services SAOG as at 31 December 2006 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other Legal and Regulatory Requirements
In our opinion, the financial statements of Salalah Port Services SAOG as of and for the year ended 31 December 2006, in all material respects:

- Have been properly prepared in accordance with the disclosure requirements of the Capital Market Authority; and
- Comply with the Commercial Companies Law of 1974, as amended.

KPMG

20 February 2007

Income Statement

for the year ended 31 December

2005 US $ '000	**2006 US $ '000**		Notes	**2006 RO '000**	2005 RO '000
69,515	**72,587**	**Revenue**	*28*	**27,918**	26,737
(36,131)	**(39,905)**	Direct operating costs	*5*	**(15,348)**	(13,896)
(10,454)	**(9,056)**	Other operating expenses	*6*	**(3,482)**	(4,022)
(9,374)	**(9,785)**	Administration and general expenses	*7*	**(3,763)**	(3,607)
595	**509**	Other income	*8*	**196**	228
14,151	**14,350**	**Profit from operations**		**5,521**	5,440
(2,121)	**(2,072)**	Net financing costs	*9*	**(797)**	(815)
12,030	**12,278**	**Net profit for the year before tax**		**4,724**	4,625
(1,379)	**(1,481)**	Deferred tax	*25*	**(570)**	(530)
10,651	**10,797**	**Net profit for the year**		**4,154**	4,095
0.59	**0.60**	**Basic earnings per share (US $ / RO)**	*19*	**0.231**	0.228

The notes on pages 36 to 53 form part of these financial statements.
The report of the Auditors is set forth on page 31.

Consolidated Balance Sheet

At 31 December

2005 US $ '000	2006 US $'000		Notes	2006 RO '000	2005 RO '000
		ASSETS			
108,046	**130,901**	Property and equipment	11	**50,348**	41,556
857	**819**	Intangible assets	12	**314**	328
260	**260**	Investments	13	**100**	100
432	**370**	Non current portion of positive fair value of derivatives	26	**141**	166
109,595	**132,350**	**Total non-current assets**		**50,903**	42,150
4,006	**4,257**	Inventories	14	**1,638**	1,541
9,859	**9,857**	Trade and other receivables	15	**3,792**	3,793
4,396	**14,262**	Cash and Cash equivalents	16	**5,486**	1,691
19,389	**14,638**	Term deposits	17	**5,630**	7,457
286	**801**	Positive fair value of derivatives	26	**309**	110
37,936	**43,815**	**Total current assets**		**16,855**	14,592
147,531	**176,165**	**TOTAL ASSETS**		**67,758**	56,742
		EQUITY			
46,758	**46,758**	Share capital	18	**17,984**	17,984
7,666	**7,666**	Share premium	18	**2,949**	2,949
4,657	**5,737**	Legal reserve	18	**2,206**	1,791
718	**1,171**	Hedging surplus	26	**450**	276
18,952	**23,994**	Retained earnings		**9,229**	7,288
78,751	**85,326**	**TOTAL EQUITY**		**32,818**	30,288
		LIABILITIES			
39,895	**60,679**	Non-current portion of term loans	22	**23,339**	15,344
4,400	**5,881**	Deferred tax	25	**2,262**	1,692
1,193	**1,417**	Employees' end of service benefits	23	**545**	459
45,488	**67,977**	**Total non-current liabilities**		**26,146**	17,495
14,176	**13,658**	Trade and other payables	24	**5,254**	5,453
9,116	**9,204**	Current portion of term loans	22	**3,540**	3,506
23,292	**22,862**	**Total current liabilities**		**8,794**	8,959
68,780	**90,839**	**TOTAL LIABILITIES**		**34,940**	26,454
147,531	**176,165**	**TOTAL EQUITY AND LIABILITIES**		**67,758**	56,742
4.38	**4.74**	**Net assets per share (US $ / RO)**	21	**1.825**	1.684

The notes on pages 36 to 53 form part of these financial statements.
These financial statements were approved and authorised for issue by the Board of Directors on 20th February 2007 and were signed on its behalf by:

Chairman Chief Executive Officer Chief Financial Officer

The report of the Auditors is set forth on page 31.

Port of Salalah

Statement of Changes in Equity

for the year ended 31 December

	Share capital RO '000	Share premium RO '000	Legal reserve RO '000	Hedging surplus / (deficit) RO '000	Retained earnings RO '000	Total RO '000
1 January 2005	17,984	2,949	1,381	(47)	5,401	27,668
Dividend paid	-	-	-	-	(1,798)	(1,798)
Net profit for the year 2005	-	-	-	-	4,095	4,095
Fair value adjustment	-	-	-	323	-	323
Transfer	-	-	410	-	(410)	-
31 December 2005	17,984	2,949	1,791	276	7,288	30,288
Dividend paid	-	-	-	-	(1,798)	(1,798)
Net profit for the year 2006	-	-	-	-	4,154	4,154
Fair value adjustment	-	-	-	174	-	174
Transfer	-	-	415	-	(415)	-
31 December 2006	**17,984**	**2,949**	**2,206**	**450**	**9,229**	**32,818**

	Share capital US $ '000	Share premium US $ '000	Legal reserve US $ '000	Hedging surplus / (deficit) US $ '000	Retained earnings US $ '000	Total US $ '000
1 January 2005	46,758	7,666	3,592	(122)	14,041	71,935
Dividend paid	-	-	-	-	(4,675)	(4,675)
Net profit for the year 2005	-	-	-	-	10,651	10,651
Fair value adjustment	-	-	-	840	-	840
Transfer	-	-	1,065	-	(1,065)	-
31 December 2005	46,758	7,666	4,657	718	18,952	78,751
Dividend paid	-	-	-	-	(4,675)	(4,675)
Net profit for the year 2006	-	-	-	-	10,797	10,797
Fair value adjustment	-	-	-	453	-	453
Transfer	-	-	1,080	-	(1,080)	-
31 December 2006	**46,758**	**7,666**	**5,737**	**1,171**	**23,994**	**85,326**

The notes on pages 36 to 53 form part of these financial statements.
The report of the Auditors is set forth on page 31.

Port of Salalah

Cash Flow Statement

for the year ended 31 December

2005 US $ '000	2006 US $'000		2006 RO '000	2005 RO '000
		Cash flow from operating activities		
10,651	**10,797**	Net profit for the year	**4,154**	4,095
		Adjustments for:		
8,768	**8,919**	Depreciation and amortisation	**3,429**	3,372
1,379	**1,481**	Deferred tax	**570**	530
300	**343**	Accrual for employees' end of service benefits	**132**	116
(19)	**(10)**	Gain on sale of equipment	**(4)**	(7)
(447)	**(806)**	Interest income	**(310)**	(172)
2,425	**2,768**	Interest expense	**1,065**	932
23,057	**23,492**		**9,036**	8,866
(976)	**(251)**	Change in inventories	**(97)**	(376)
(2,194)	**2**	Change in receivables	**1**	(846)
3,875	**(518)**	Change in payables	**(199)**	1,492
(86)	**(119)**	Employees' end of service benefits paid	**(46)**	(33)
23,676	**22,606**	**Net cash from operating activities**	**8,695**	9,103
		Cash flow from investing activities		
(19,425)	**(31,736)**	Acquisition of equipment	**(12,207)**	(7,469)
19	**10**	Proceeds from sale of equipment	**4**	7
4,780	**(3,630)**	(Increase)/decrease in bank term deposits	**(1,394)**	1,839
(209)	**(1,311)**	(Increase) in other term deposits	**(503)**	(79)
447	**806**	Interest received	**310**	172
(14,388)	**(35,863)**	**Net cash used in investing activities**	**(13,790)**	(5,530)
		Cash flow from financing activities		
12,000	**30,000**	Proceeds from term loan	**11,535**	4,614
(9,033)	**(9,116)**	Repayment of term loans	**(3,506)**	(3,472)
(4,675)	**(4,675)**	Dividend paid	**(1,798)**	(1,798)
(2,425)	**(2,768)**	Interest paid	**(1,065)**	(932)
(4,133)	**13,441**	**Net cash used in financing activities**	**5,166**	(1,588)
5,155	**184**	**Net increase in cash and cash equivalents**	**71**	1,985
8,923	**14,078**	Cash and cash equivalents at 1 January	**5,415**	3,430
14,078	**14,262**	**Cash and cash equivalents at 31 December (note 16)**	**5,486**	5,415

The notes on pages 36 to 53 form part of these financial statements.
The report of the Auditors is set forth on page 31.

Notes

(forming part of the financial statements)

1 Legal status and principal activities

Salalah Port Services Company SAOG ("the Company") is registered as a joint stock company in the Sultanate of Oman under the Commercial Companies Law of Oman. The Company is primarily engaged in leasing, equipping, operating and managing Container Terminal and General Cargo Terminal facilities in Salalah, Sultanate of Oman.

2 Basis of Preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), the disclosure requirements of the Capital Market Authority and the requirements of the Commercial Companies Law of 1974, as amended.

(b) Basis of measurement and Presentation currency

These financial statements are presented in Rials Omani ("RO") and United States Dollars (''US$'') rounded off to the nearest thousand. The financial statements have been prepared under the historical cost basis modified for derivative financial instruments and investments available for sale, which are stated at fair value. Exchange rate considered for conversion is RO 1 = US $ 2.6.

The accounting policies have been consistently applied by the company and are consistent with those used in the previous years.

3 Significant agreements

The Company has entered into the following significant agreements:

(i) Concession agreement with the Government of the Sultanate of Oman to lease, equip, operate and manage Salalah Port Container Terminal facilities ("Container Terminal Facilities Agreement") for a period of thirty years commencing from 29 November 1998 ("Concession Period"). In consideration for granting the concessions, the Company pays royalty fee to the Government of Sultanate of Oman and is calculated as follows:

- a fixed royalty fee of US $ 255,814 per annum, increasing at the rate of 3% per annum; and
- a variable royalty fee calculated in accordance with the terms set out in the Container Terminal Facilities Agreement.

(ii) Management agreement for Container Terminal with AP Moller Terminals Co. LLC with the responsibility for day-to-day management of the Company and operations of the port on behalf of the Company. This agreement is effective for the Concession Period. In consideration of the services provided by the manager the Company pays a fee, which varies dependant on the operating revenue (2005: volumes) of the Company.

(iii) Concession agreement with the Government of the Sultanate of Oman to equip, operate, market and manage Salalah Port Conventional Terminal facilities ("General Cargo Terminal Facilities Agreement"). The agreement was executed on 11 September 2000, with retrospective effect from 1 October 1998. The agreement is effective for a period co-terminus with the Container Terminal Facilities Agreement. In consideration for granting the concessions, the Company pays royalty fee to the Government of Sultanate of Oman as follows:

Notes
(forming part of the financial statements)

3 Significant agreements (continued)

- a fixed royalty fee of RO 49,900 per annum, payable from 2005 onwards and increasing at the rate of 3% per annum; and
- a variable royalty fee calculated in accordance with the terms set out in the General Cargo Terminal Facilities Agreement.

(iv) Management agreement for General Cargo Terminal with AP Moller Terminals Co. LLC with the responsibility for day-to-day management of the Company and operations of the port excluding Container Terminal facilities on behalf of the Company. The agreement is effective for the Concession Period. In consideration of the services provided by the manager the Company pays a fee, which varies dependant on the volumes handled by the Company.

4 Significant accounting policies

The accounting policies set out below have been applied consistently by the Company and are consistent with those used in the previous year.

(a) Revenue

Revenue comprises income earned from services rendered in connection with the facilities provided at Container and General Cargo Terminals, and is recognised when earned. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due and associated costs.

(b) Net financing expense

Net financing expense comprises interest payable on borrowings and interest receivable on bank deposits.

Interest income is recognised in the income statement as it accrues. Interest expense is recognised in the income statement as incurred.

(c) Employee benefits

Contributions to defined contribution retirement plan, for Omani employees, in accordance with the Oman Social Insurance Scheme, are recognized as expense in the income statement as incurred.

Provision for non-Omani employee terminal contributions, which is an unfunded defined benefit retirement plan, is made in accordance with Omani Labour Laws and calculated on the basis of the liability that would arise if the employment of all employees were terminated at the balance sheet date.

(d) Foreign currencies

Transactions in foreign currencies are translated to Rial Omani at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Rial Omani at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost, are translated to Rials Omani at the foreign exchange rate ruling at the date of the transaction.

Notes
(forming part of the financial statements)

4 Significant accounting policies (continued)

(e) Derivative financial instruments and hedging

The Company uses derivative financial instruments to hedge its exposure to certain portion of its interest rate risks arising from financing activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at their fair value. Recognition of any resultant gain or loss depends on the nature of the item being hedged.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised liability, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. The ineffective part of any gain or loss is recognised in the income statement immediately.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

(f) Intangible asset

Expenditure incurred on initial studies for development of Salalah Port have been capitalised by the Company. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses [refer accounting policy (l)]. Amortisation of development expenditure is charged to income statement on a straight line basis over the Concession Period.

(g) Property and equipment

(i) Recognition and measurement

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses [refer accounting policy (1)]. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditure is recognised in the income statement as an expense as incurred.

(ii) Depreciation

Depreciation is charged to income statement. Capital work-in-progress is not depreciated. Depreciation on property and equipment is calculated so as to write off their cost by equal instalments as follows:

Notes

(forming part of the financial statements)

4 Significant accounting policies (continued)

	Years
Leasehold improvements	3 - 5
Quay gantry cranes	6 - 25
Rubber tyre gantry cranes	15
Tractors and trailors	10 - 15
Forklifts and reach stackers	3 - 5
Marine equipment	25 - 30
Motor vehicles	3 - 5
Computer equipment and software	1 - 5
Furniture, fixtures and equipment	3 - 5

(h) Investments

Investments are classified as available for sale and are stated at fair value, with any resultant gain or loss recognised in equity. The fair value of the investments available for sale is their quoted bid price at the balance sheet date. Available for sale investments are recognised/de-recognised by the Company on the date it commits to purchase/sell the investments.

(i) Receivables

Receivables are stated at their cost less impairment losses [accounting policy (l)].

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, balances with banks and short-term deposits with an original maturity of three months or less.

(l) Impairment

The carrying amounts of the Company's assets, other than inventories [accounting policy (j)] and deferred tax assets [accounting policy (r)], are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of the Company's receivables is calculated as the present value of expected future cash flows, discounted at the original interest rate inherent in the asset. Receivables with a short duration are not discounted.

4 Significant accounting policies (continued)

(m) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(n) Determination of Directors Remuneration

The Annual General Meeting determines the total remuneration of the Chairman, Deputy Chairman and other members of the Board of Directors in respect of Board Meetings, positions held and sub-committee duties, not exceeding three percent (3%) of the net annual profits after deduction of the legal reserve, the special reserve (if any), and payment of dividends of not less than five percent (5%) to all shareholders. Directors remuneration is recognised in the income statement.

(o) Payables & Provisions

Payables are stated at cost and provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(p) Interest bearing borrowings

Interest bearing borrowings are recognised initially at cost, less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of borrowings on an effective interest rate basis.

(q) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease, increasing at the rate of 3% per annum.

(r) Income tax

Income tax on the results for the year comprises deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Deferred tax is provided using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is calculated on the basis of the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes

(forming part of the financial statements)

5 Direct operating costs

2005 US $ '000	2006 US $ '000		2006 RO '000	2005 RO '000
18,412	**20,530**	Staff costs	**7,896**	7,082
8,357	**8,440**	Depreciation	**3,245**	3,213
3,722	**4,810**	Repair and maintenance	**1,850**	1,431
3,665	**4,264**	Power and fuel	**1,640**	1,409
1,975	**1,861**	Other expenses	**717**	761
36,131	**39,905**		**15,348**	13,896

6 Other operating expenses

2005 US $ '000	2006 US $ '000		2006 RO '000	2005 RO '000
3,135	**2,918**	Ground rent and royalty	**1,122**	1,206
4,806	**3,468**	Management fees	**1,334**	1,848
327	**369**	Depreciation	**142**	126
2,186	**2,301**	Others	**884**	842
10,454	**9,056**		**3,482**	4,022

7 Administration and general expenses

2005 US $ '000	2006 US $ '000		2006 RO '000	2005 RO '000
5,457	**5,885**	Staff costs	**2,263**	2,099
46	**72**	Depreciation	**28**	18
564	**478**	Sales and marketing	**184**	217
437	**577**	Systems and communications	**222**	168
1,261	**891**	Legal and professional fees	**343**	485
1,609	**1,882**	Others	**723**	620
9,374	**9,785**		**3,763**	3,607

8 Other income

2005 US $ '000	2006 US $ '000		2006 RO '000	2005 RO '000
182	**-**	Professional services fee	**-**	70
413	**509**	Others	**196**	158
595	**509**		**196**	228

Notes
(forming part of the financial statements)

9 Net financing costs

2005 US $ '000	**2006 US $ '000**		**2006 RO '000**	2005 RO '000
2,425	**2,768**	Term loan interest	**1,065**	932
143	**110**	Other financing charges	**42**	55
2,568	**2,878**	Total financing cost	**1,107**	987
(447)	**(806)**	Interest income	**(310)**	(172)
2,121	**2,072**		**797**	815

10 Salaries and related costs

Salaries and related costs included in notes 5 and 7 are as follows:

2005 US $ '000	**2006 US $ '000**		**2006 RO '000**	2005 RO '000
19,216	**21,128**	Wages and salaries	**8,126**	7,391
3,649	**4,059**	Other benefits	**1,561**	1,403
300	**343**	Increase in liability for un-funded defined benefit retirement plan	**132**	116
704	**885**	Contributions to defined contribution retirement plan	**340**	271
23,869	**26,415**		**10,159**	9,181

The number of employees at 31 December 2006 was 1,442 (2005: 1,491).

11 Property and equipment

Details of property and equipment are set out in Schedule I on pages 54 and 55.

Buildings are situated on land-leased upto the year 2028, from the Ministry of Transport and Communications. Annual lease rental is RO 286,140 and increases based on contractual terms agreed with the Government.

The depreciation charge has been allocated in the income statement as follows:

2005 US $ '000	**2006 US $ '000**		**2006 RO '000**	2005 RO '000
8,357	**8,440**	Direct operating costs	**3,245**	3,213
327	**369**	Other operating expenses	**142**	126
46	**72**	Administration expenses	**28**	18
8,730	**8,881**		**3,415**	3,357

Notes

(forming part of the financial statements)

12 Intangible assets

2005 US $ '000	2006 US $ '000		2006 RO '000	2005 RO '000
		Cost		
1,105	**1,105**	1 January and 31 December	**425**	425
		Cumulative amortisation		
(210)	**(248)**	1 January	**(97)**	(82)
(38)	**(38)**	Additions	**(14)**	(15)
(248)	**(286)**	31 December	**(111)**	(97)
		Carrying amount		
895	**857**	1 January	**328**	343
(38)	**(38)**	Additions	**(14)**	(15)
857	**819**	31 December	**314**	328

13 Investments

The Company has invested RO 100,000 for the purchase of 100,000 shares of Dhofar University SAOG.

14 Inventories

2005 US $ '000	2006 US $ '000		2006 RO '000	2005 RO '000
4,811	**5,296**	Spares and consumables	**2,037**	1,850
(805)	**(1,039)**	Less: Provision for slow moving inventories	**(399)**	(309)
4,006	**4,257**		**1,638**	1,541

15 Trade and other receivables

2005 US $ '000	2006 US $ '000		2006 RO '000	2005 RO '000
2,260	**1,175**	Amounts due from related parties	**452**	870
5,283	**6,185**	Amounts due from the Government of Sultanate of Oman	**2,379**	2,032
1,721	**1,864**	Trade receivables	**717**	662
421	**287**	Prepaid expenses	**110**	162
174	**346**	Other receivables	**134**	67
9,859	**9,857**		**3,792**	3,793

Notes

(forming part of the financial statements)

16 Cash and cash equivalents

2005 US $ '000	2006 US $ '000		2006 RO '000	2005 RO '000
442	**639**	Cash and bank balances	**246**	170
3,954	**13,623**	Call deposit accounts	**5,240**	1,521
4,396	**14,262**		**5,486**	1,691

During 2006, the call deposit accounts earned interest at the rates ranging between 0.1% to 1.5% per annum (2005: 0.1% to 1.5% per annum).

17 Term deposits

2005 US $ '000	2006 US $ '000		2006 RO '000	2005 RO '000
9,682	**-**	Bank deposits with a maturity of three months or less	**-**	3,724
3,500	**7,124**	Bank deposits with a maturity of greater than three months	**2,740**	1,346
6,207	**7,514**	Debt service deposit	**2,890**	2,387
19,389	**14,638**		**5,630**	7,457

Bank deposits carry effective annual interest at the rates ranging between 3% and 5.35% (2005: 3% and 4.5%) and include fixed deposits of RO 2,739,968 (2005 - RO 5,069,941) with commercial banks in Oman, denominated in US Dollars.

Under the terms of the debt financing agreement, the Company is required to maintain a debt service deposit equal to its next six months debt repayments for the period until the final instalment of the term loan. The deposits are in US Dollars with commercial banks in Oman carrying effective annual interest rates ranging between 1% and 5.15% (2005: 1% and 4.5%).

Notes

(forming part of the financial statements)

18 Share capital

	Authorised		Issued and fully paid	
	2006	2005	**2006**	2005
Shares of RO 1 each (RO ‘000)	**20,000**	20,000	**17,984**	17,984
Shares of RO 1 each (US $ ‘000)	**52,000**	52,000	**46,758**	46,758

Share premium

Share premium of RO 2,948,569 represents premium on shares issued during year 2000 and transferred to share premium account during year 2001.

Shareholders of the Company who own 10% or more of the Company’s shares, whether in their name, or through a nominee account, and the number of shares they hold are as follows:

	2006		2005	
	No. of shares	**%**	No. of shares	%
A.P. Moller Finance S.A.	**5,418,000**	**30**	5,418,000	30
Government of the Sultanate of Oman (represented by Ministry of Finance)	**3,612,000**	**20**	3,612,000	20
Dhofar International Development and Investment Company SAOG	**1,958,800**	**11**	1,958,800	11
Ministry of Defence – Pension Fund	**1,798,374**	**10**	1,798,374	10

Legal reserve

The Commercial Companies Law of 1974 requires that 10% of a company’s net profit be transferred to a non-distributable legal reserve until the amount of legal reserve becomes equal to one-third of the Company’s share capital. The reserve is not available for distribution.

Notes

(forming part of the financial statements)

19 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year as follows:

2005 US $ '000	**2006 US $ '000**		**2006 RO '000**	2005 RO '000
10,651	**10,797**	Net profit for the year (US $ '000 / RO '000)	**4,154**	4,095
17,984	**17,984**	Weighted average number of ordinary shares outstanding during the year ('000)	**17,984**	17,984
0.59	**0.60**	Basic earnings per share (US $ / RO)	**0.231**	0.228

20 Dividend

During the year, dividend of RO 0.100 per share totalling RO 1,798,374 relating to 2005 were declared and paid.

The Board of Directors has proposed a cash dividend of RO 0.120 per share totalling RO 2,158,049 which is subject to the approval of the shareholders at the Annual General Meeting.

21 Net assets per share

Net assets per share is calculated by dividing the net assets at the year end by the number of shares outstanding as follows:

2005 US $ '000	**2006 US $ '000**		**2006 RO '000**	2005 RO '000
78,751	**85,326**	Net assets (US $ '000 / RO '000)	**32,818**	30,288
17,984	**17,984**	Weighted average number of shares outstanding at 31 December ('000)	**17,984**	17,984
4.38	**4.74**	Net assets per share (US $ / RO)	**1.825**	1.684

22 Term loan

The Company has a syndicated long-term loan facility, denominated in US Dollars, from financial institutions in the aggregate amount of approximately RO 42.3 million (US $ 110 million). The facilities, comprises two Tranches of RO 21.2 million (US $ 55 million) each. During the year 2005, the drawdown was RO 4.6 million (US $ 12 million) and in 2006 RO 11.5 million (US $ 30 million) from Tranch 2 of the loan facility. The remaining amount of Tranch 2 facility is available to the Company till 4 May 2008. The Company has already availed Tranch 1 facility in the amount of RO 21.2 million (US $ 55 million).

The secured lenders for the Company are BankMuscat, Gulf International Bank B.S.C & Bank Dhofar. BankMuscat has been appointed as security agents and trustees for the secured lenders. They are also the Facility Agent for administration and monitoring of the overall loan facilities

Notes
(forming part of the financial statements)

22 Term Loans (continued)

The Tranch 1 term loan is repayable in 12 instalments of six-monthly intervals commencing from 30 June 2005. The Company has capped the rate of interest through an interest rate swap agreement for 75% of its loan facility at a maximum interest rate of 3.7% per annum (refer note 26).

The Tranch 2 term loan is repayable in 14 instalments of six-monthly intervals commencing from 30 June 2008. The Company has fixed the rate of interest through an interest rate swap agreement for 75% of its loan facility at a maximum interest rate of 4.7% per annum (refer note 26).

At 31 December 2006, the outstanding balances for the two tranches are as follows:

	Total	Payable within one year (Current portion)	Payable between 1 and 2 years	Payable between 2 and 5years	Payable after 5 years
RO '000					
Tranche 1	10,730	3,540	3,578	3,612	-
Tranche 2	16,149	-	317	6,522	9,310
Total RO '000	**26,879**	**3,540**	**3,895**	**10,134**	**9,310**
US $ '000					
Tranch 1	27,883	9,204	9,302	9,377	-
Tranch 2	42,000	-	824	16,957	24,219
Total US $ '000	**69,883**	**9,204**	**10,126**	**26,334**	**24,219**

The loan agreement contains certain restrictive covenants, which include, amongst others, restrictions over debt service, net worth limit, debt equity ratios, current ratio and security cover certain restrictions on the pattern of shareholding, payment of dividends, disposal of property, and equipment and creation of additional security on assets under charge.

The term loan facilities bear an effective interest rate of 5.69% (2005: 4.98%) incorporating the effect of hedging instrument.

The facilities are secured by comprehensive first legal and commercial mortgages on all the assets of the Company.

Notes

(forming part of the financial statements)

23 Employees' end of service benefits

Movements in the liability recognised in the balance sheet are as follows:

2005 US $ '000	2006 US $ '000		2006 RO '000	2005 RO '000
979	**1,193**	1 January	**459**	376
300	**343**	Accruals during the year	**132**	116
(86)	**(119)**	End of service benefit paid	**(46)**	(33)
1,193	**1,417**	31 December	**545**	459

24 Trade and other payables

2005 US $ '000	2006 US $ '000		2006 RO '000	2005 RO '000
2,640	**2,377**	Trade payables	**915**	1,016
4,839	**3,545**	Amounts due to related parties	**1,363**	1,862
6,697	**7,736**	Accrued expenses and other liabilities	**2,976**	2,575
14,176	**13,658**		**5,254**	5,453

25 Taxation

In accordance with Ministerial decision 73/2000 dated 28 June 2000, the Company had obtained a tax exemption for a period of 5 years commencing 29 November 1998.

The Company has been granted further tax exemption in accordance with Ministerial decision 40/2005 dated 19 June 2005 for a period of further five years commencing 1 November 2003.

Deferred tax liability represents the amount of income tax payable in future periods in respect of taxable temporary/timing differences between accounting and tax depreciation. The provision for deferred tax liability reserves the impact of incidence of tax in the future periods when the carrying amount of asset would be recovered in the form of revenues. Thereby matching the effective rate of tax to the actual tax rate.

The following provision as of 31 December 2006 to equalise the impact of taxes over the revenue earning life of the asset:

2005 US $ '000	2006 US $ '000		2006 RO '000	2005 RO '000
7,969	**8,389**	Tax depreciation	**3,227**	3,065
(3,569)	**(2,508)**	Tax loss at 31 December	**(965)**	(1,373)
4,400	**5,881**		**2,262**	1,692

The assessments for the years 2001 to 2005 have not been finalised with the Department of Taxation Affairs, Ministry of Finance.

Notes

(forming part of the financial statements)

26 Derivative financial instruments and hedging deficit

The Term loan facilities of the Company bear interest at USD LIBOR plus applicable margins of 1.25%. In accordance with the Term Loan Agreement, the Company has fixed the rates of interest applicable to the different Tranches through Interest Rate Swap agreements ("IRS").

At 31 December 2006, the USD LIBOR was approximately 5.36% per annum, whereas the Company had fixed interest on its long term borrowings at 3.7% on Tranch 1 and 4.7% on Tranch 2.

Based on the interest rates gap, over the life of the respective IRS, the indicative gains were assessed at RO 450,480 (US $ 1,171,248) by the counter parties to IRS. In case the Company terminates the IRS at 31 December 2006, it may result in a gain to the extent of RO 450,480 (US $ 1,171,248). In order to comply with International Accounting Reporting Standard 39 "Financial Instruments: Recognition and Measurement" fair value of the hedge instruments' indicative gains in the amount of RO 450,480 (US $ 1,171,248) has been recorded within the equity of the Company under "Hedging surplus" and a similar amount is recorded under assets (2005: assets).

27 Related party transaction

The Company has entered into transactions with entities over which certain Directors may be able to exercise significant influence. In the normal course of business, the Company provides and avails services from related parties on commercial terms and at arms length. The terms of providing and receiving such services are comparable with those that could be obtained from third parties. The volumes of significant related party transactions during the year and with parties with a shareholding of 10% or more in the Company and/or related to Directors, were as follows:

2005 US $ '000	**2006 US $ '000**		**2006 RO '000**	2005 RO '000
		Revenue		
53,178	**56,347**	Maersk Shipping Services Co. LLC (Agent of Maersk Line)	**21,672**	20,453
23	**21**	Others (individually not material)	**8**	9
53,201	**56,368**		**21,680**	20,462
		Purchases and service rendered		
354	**208**	AP Moller Terminals Co. LLC	**80**	136
520	**504**	Cory Towage LLC	**194**	200
866	**655**	Maersk Shipping Services Co. LLC (Agent of Maersk Line)	**252**	333
62	**47**	Others (individually not material)	**18**	24
1,802	**1,414**		**544**	693
4,805	**3,468**	Management fees to AP Moller Terminals Co. L.L.C	**1,334**	1,848
78	**78**	Directors' remuneration	**30**	30
60	**60**	Directors' sitting fees	**23**	23

Notes

(forming part of the financial statements)

28 Segmental reporting

Operating Segment

For management purposes the Company is organised into two major operating divisions – Container Terminal and General Cargo Terminal. The Container Terminal Division is engaged in leasing, equipping, operating and managing a Container Terminal. The General Cargo Terminal Division is engaged in providing stevedoring and other cargo related services to vessel and cargo operators. All activities are undertaken in the Sultanate of Oman. These Divisions are the basis on which the Company reports its primary segment information, as follows:

	Container Terminal		General Cargo Terminal		Total	
	2006 RO '000	2005 RO '000	**2006 RO '000**	2005 RO '000	**2006 RO '000**	2005 RO '000
Revenue	**24,785**	24,219	**3,133**	2,518	**27,918**	26,737
Direct operating cost	**(14,106)**	(12,948)	**(1,242)**	(948)	**(15,348)**	(13,896)
Common costs					**(7,049)**	(7,401)
Profit from operations					**5,521**	**5,440**
Finance costs (net)					**(797)**	(815)
Net profit for the year before tax					**4,724**	4,625
Deferred tax					**(570)**	(530)
Net profit for the year					**4,154**	4,095

Other Information

	Container Terminal 2006	2005	General Cargo Terminal 2006	2005	Total 2006	2005
Segment total Assets	**66,434**	55,351	**3,091**	2,328	**69,525**	57,679
Inter division balances eliminated					**(1,767)**	(937)
Total assets					**67,758**	56,742
Segment total liabilities & equity	**66,434**	55,351	**3,091**	2,328	**69,525**	57,679
Inter division balances eliminated					**(1,767)**	(937)
Total liabilities & equity					**67,758**	56,742

Notes

(forming part of the financial statements)

28 Segmental reporting (continued)

	Container Terminal		General Cargo Terminal		Total	
	2006 RO '000	2005 RO '000	**2006 RO '000**	2005 RO '000	**2006 RO '000**	2005 RO '000
Revenue	**64,441**	62,968	**8,146**	6,547	**72,587**	69,515
Direct operating cost	**(36,675)**	(33,664)	**(3,230)**	(2,467)	**(39,905)**	(36,131)
Common costs					**(18,332)**	(19,233)
Profit from operations					**14,350**	14,151
Finance costs (net)					**(2,072)**	(2,121)
Net profit for the year before tax					**12,278**	12,030
Deferred tax					**(1,481)**	(1,379)
Net profit for the year					**10,797**	10,651
Other Information						
Segment total Assets	**172,726**	143,915	**8,037**	6,053	**180,763**	149,968
Inter division balances eliminated					**(4,595)**	(2,437)
Total assets					**176,168**	**147,531**
Segment total liabilities & equity	**172,726**	143,915	**8,037**	6,053	**180,763**	149,968
Inter division balances eliminated					**(4,595)**	(2,437)
Total liabilities & equity					**176,168**	**147,531**

Notes

(forming part of the financial statements)

29 Commitment and contingencies

2005 US $ '000	**2006 US $ '000**		**2006 RO '000**	2005 RO '000
31,554	**12,264**	Capital expenditure commitments	**4,717**	12,136
-	**17**	Bank guarantees	**7**	-

Operating lease commitments

The Company has entered into a lease agreement with the Government of the Sultanate of Oman in November 1998, which grants a lease of the land and infrastructure required for the Container Terminal facilities to the Company, for a term consistent with its thirty year Concession Period. Future lease payment commitments are as follows:

2005 US $ '000	**2006 US $ '000**		**2006 RO '000**	2005 RO '000
915	**941**	Not later than one year	**362**	352
3,942	**4,061**	Between one and five years	**1,562**	1,516
24,835	**23,775**	After five years	**9,144**	9,552
29,692	**28,777**	Total lease commitment	**11,068**	11,420

30 Financial instruments

Exposure to interest rate, credit, liquidity, currency and fair value risks arises in the normal course of the Company's business.

Interest rate risk

The Company adopts a policy of ensuring that at least 75% of its exposure to changes in interest rates on long-term loans is on a fixed rate basis. Interest rate swap, denominated in US Dollars, has been entered into to achieve this purpose. While this is subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

However, the Company is also exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits and 25% of the term loans). The management monitors the interest rate risk by setting limits on the interest rate gaps for stipulated periods.

Credit risk

The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

The Company provides services to number of customers in Oman. Six top customers account for 86% of outstanding accounts receivable at 31 December 2006 (2005 - six top customers accounted for 86%).

Liquidity risk

The Company limits its liquidity risk by ensuring bank facilities is available. The Company's terms of service require amounts to be paid within 30 to 60 days of the date of sale. Trade payables are normally settled within 30 to 90 days of the date of purchase.

Notes

(forming part of the financial statements)

30 Financial instruments (continued)

Currency risk

Currency risk arises from the possibility that changes in foreign exchange rates will affect the value of financial assets and liabilities. The Company has not hedged its currency exposure, the majority of which is denominated in US Dollars as a significant part of its current and expected revenue flows will be in US Dollars.

31 Fair values of financial instruments

Financial instruments comprise financial assets and liabilities.

Financial assets consist of cash and bank balances, term deposits and receivables. Financial liabilities consist of payables term loans and accrued expenses. The fair values of the financial assets and liabilities at the balance sheet date are not materially different from their carrying values.

32 Comparative figures

Certain comparative figures have been reclassified in order to conform to the presentation of the current year. Such reclassifications do not affect previously reported net profit or shareholders' equity.

Port of Salalah

Schedule 1
Property and Equipment
for the year ended 31 December 2006

	Leasehold improvements RO '000	Quay gantry cranes RO '000	Rubber tyre gantry cranes RO '000	Tractors and trailors RO '000	Forklifts and reach Stackers RO '000	Marine equipment RO '000	Motor vehicles RO '000	Computer equipment and software RO '000	Furniture, fixtures and equipment RO '000	Capital work in progress RO '000	Total RO '000
Cost											
1 January 2006	1,076	26,073	15,509	4,279	1,406	5,944	513	1,657	1,678	2,399	60,534
Additions	-	-	-	-	-	-	45	93	116	11,953	12,207
Transfer from CWIP	65	901	-	39	-	-	-	-	-	(1,005)	-
Disposal	-	-	-	-	(5)	-	(21)	-	-	-	(26)
31 December 2006	1,141	26,974	15,509	4,318	1,401	5,944	537	1,750	1,794	13,347	72,715
Accumulated depreciation											
1 January 2006	(937)	(6,720)	(4,310)	(1,783)	(830)	(1,132)	(413)	(1,458)	(1,395)	-	(18,978)
Depreciation for the year	(97)	(1,114)	(1,034)	(391)	(172)	(236)	(70)	(142)	(159)	-	(3,415)
Disposal	-	-	-	-	5	-	21	-	-	-	26
31 December 2006	(1,034)	(7,834)	(5,344)	(2,174)	(997)	(1,368)	(462)	(1,600)	(1,554)	-	(22,367)
Carrying amounts											
31 December 2005	139	19,353	11,199	2,496	576	4,812	100	199	283	2,399	41,556
31 December 2006	**107**	**19,140**	**10,165**	**2,144**	**404**	**4,576**	**75**	**150**	**240**	**13,347**	**50,348**

Port of Salalah

Schedule 1

Property and Equipment

for the year ended 31 December 2006

	Leasehold improvements US $ '000	Quay gantry cranes US $ '000	Rubber tyre gantry cranes US $ '000	Tractors and trailors US $ '000	Forklifts and reach Stackers US $ '000	Marine equipment US $ '000	Motor vehicles US $ '000	Computer equipment and software US $ '000	Furniture, fixtures and equipment US $ '000	Capital work in progress US $ '000	Total US $ '000
Cost											
1 January 2006	2,796	67,789	40,323	11,128	3,657	15,455	1,335	4,308	4,362	6,242	157,395
Additions	-	-	-	-	-	-	117	242	305	31,072	31,736
Transfer from CWIP	168	2,343	-	100	-	-	-	-	-	(2,611)	-
Disposal	-	-	-	-	(14)	-	(57)	-	-	-	(71)
31 December 2006	2,964	70,132	40,323	11,228	3,643	15,455	1,395	4,550	4,667	34,703	189,060
Accumulated depreciation											
1 January 2006	(2,435)	(17,472)	(11,206)	(4,637)	(2,159)	(2,943)	(1,076)	(3,793)	(3,628)	-	(49,349)
Depreciation for the year	(253)	(2,898)	(2,688)	(1,016)	(448)	(615)	(181)	(369)	(413)	-	(8,881)
Disposal	-	-	-	-	14	-	57	-	-	-	71
31 December 2006	(2,688)	(20,370)	(13,894)	(5,653)	(2,593)	(3,558)	(1,200)	(4,162)	(4,041)	-	(58,159)
Carrying amounts											
31 December 2005	361	50,317	29,117	6,491	1,498	12,512	259	515	734	6,242	108,046
31 December 2006	**276**	**49,762**	**26,429**	**5,575**	**1,050**	**11,897**	**195**	**388**	**626**	**34,703**	**130,901**