Spölur ehf

Interim Financial Statements for the period
October 1, 2007 to March 31, 2008

Table of contents

The Board of Director's and the CEO Report

Spölur ehf´s purpose is to take care of the preparation, financing and execution of a road/tunnel construction near the mouth of Hvalfjordur as well as the operation of the tunnel until all debt has been repaid as laid down by Act No. 45/1990 on the Hvalfjordur Road Shortcut Project in accordance with an agreement with the Icelandic Ministry of Transport on behalf of the Icelandic Government.

These Interim Financial Statements have been prepared in accordance with International Financial Accounting Standards (IFRS) for Interim Financial Statements (IAS 34).

It is the Board's opinion that all information necessary to perceive the Company's status 31 March 2008, its operational results for the period October 1 2007 to March 31 2008 is presented in the Interim Financial Statements. The Company's net loss after taxes amounted to ISK 169,4 million. The Company's equity amounted to ISK 501 million.

The shares of the Company are wholly owned by Eignarhaldsfélagið Spölur hf.

The Board of Directors and the Chief Executive Officer of Spölur ehf hereby ratify the Interim Financial Statements of Spölur ehf for the period October 1st 2007 to March 31st 2008 with their signature.

Akranes, May 29 2008.

Board of Directors of Spölur ehf

Gísli Gíslason, chairman

Gunnar Gunnarsson

Hafsteinn Hafsteinsson

Hallfreður Vilhjálmsson

Þórður Magnússon

Chief Executive Officer of Spölur ehf

Gylfi Þórðarson

Report on Review of Interim Financial information

To the Shareholders and Board of Directors of Spölur ehf.

Introduction

We have reviewed the accompanying balance sheet of Spölur ehf as of March 31, 2008 and the related statements of income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Reykjavik, May 29 2008.

PricewaterhouseCoopers hf

Hjalti Schiöth

Arna G. Tryggvadóttir

Interim income statement

	Notes	Q2 1/1 08 - 31/3 08	Q2 1/1 07 - 31/3 07	YTD 1/10 07 - 31/3 08	YTD 1/10 06 - 31/3 07
Toll		190.796	196.621	396.718	398.940
Maintenance and operation of tunnel		(77.070)	(35.153)	(108.913)	(56.714)
Office and administrative expenses		(24.398)	(24.005)	(58.186)	(52.173)
Depreciation	8	(55.443)	(56.976)	(113.420)	(113.599)
Profit from operations		33.885	80.487	116.199	176.455
Interest revenues	6	15.337	25.209	23.436	28.919
Interest expenses, indexation and exchange differences	6	(227.713)	(23.450)	(346.232)	(96.693)
		(212.376)	1.759	(322.795)	(67.775)
Profit (loss) before tax		(178.491)	82.245	(206.596)	108.680
Income tax expense	7	32.128	(14.804)	37.187	(19.562)
Net profit (loss)		(146.362)	67.441	(169.409)	89.118
Earnings per share, basic and diluted	15	(1,70)	0,78	(1,97)	1,04
Income statement by quarters	5				

The notes on pages 8-18 are an integral part of the interim financial statements.

Spölur ehf. Interim Financial Statements 31 March 2008. Amounts in thousands of ISK

Interim balance sheet

Assets	Notes	31/3 2008	30/9 2007
Non-current assets	8		
Hvalfjordur Tunnel project, start-up and construction costs		4.409.931	4.496.360
Motor vehicles, transponders and office equipment		106.701	97.698
		4.516.633	4.594.057
Current assets			
Receivables and prepayments	9	230.818	258.471
Cash and cash equivalents		501.981	255.582
		732.799	514.053
Total assets		5.249.432	5.108.110

Shareholders' equity	Notes	31/3 2008	30/9 2007
Ordinary shares	10	86.000	86.000
Legal reserve		21.500	21.500
Retained earnings		393.628	595.481
Total shareholders' equity		501.128	702.981
Liabilities			
Non-current liabilities			
Borrowings	12	3.836.266	3.572.596
Deferred income tax liabilities	13	127.097	164.284
Provision due to transponders	14	72.209	69.874
		4.035.572	3.806.755
Current liabilities			
Trade and other payables	11	134.113	42.083
Borrowings	12	352.804	336.160
Deferred income		225.816	220.131
		712.732	598.374
Total liabilities		4.748.304	4.405.129
Total equity and liabilities		5.249.432	5.108.110

The notes on pages 8-18 are an integral part of the interim financial statements.

Spölur ehf. Interim Financial Statements 31 March 2008. Amounts in thousands of ISK

Interim statement of changes in shareholders' equity

	Notes	Share capital	Legal reserve	Retained earnings	Total
Balance at 1 October 2006		86.000	19.761	346.696	452.457
Net profit				89.118	89.118
Dividend				(31.500)	(31.500)
		0	0	57.618	57.618
Balance at 31 March 2007/ 1 April 2007		86.000	19.761	404.313	510.074
Net profit				192.907	192.907
Allocate to legal reserve			1.739	(1.739)	0
		0	1.739	191.168	192.907
Balance at 30 September 2007/ Balance at 1 October 2007		86.000	21.500	595.481	702.981
Net profit				(169.409)	(169.409)
Dividend	17			(32.445)	(32.445)
		0	0	(201.854)	(201.854)
Balance at 31 March 2008		86.000	21.500	393.628	501.128

The notes on pages 8-18 are an integral part of the interim financial statements.

Spölur ehf. Interim Financial Statements 31 March 2008. Amounts in thousands of ISK

Interim cash flow statement

	Notes	1/10 2007- 31/3 2008	1/10 2006- 31/3 2007
Cash flows from operating activities			
Cash generated from operations	18	297.693	306.584
Interest received (paid)		11.870	22.884
Net cash from operating activities		309.563	329.468
Cash flows from (to) investing activities			
Purchase of property, plant and equipment	8	(35.995)	(53.432)
Loans made		(17.750)	0
Net cash used in investing activities		(53.746)	(53.432)
Cash flows from (to) financing activities			
Dividends paid to the Company's shareholders		(32.445)	(31.500)
Net increase in cash and cash equivalents		223.372	244.536
Exchange gains/(losses) on cash and bank overdrafts		23.027	(233)
Cash and cash equivalents at beginning of year		255.582	220.936
Cash and cash equivalents at end of period		501.981	465.238
Cash generated from operations	18		
Net profit		(169.409)	89.118
Adjustments for items not affecting cash		321.649	123.257
Changes in working capital		145.453	94.210
		297.693	306.584

The notes on pages 8-18 are an integral part of the interim financial statements.

Spölur ehf. Interim Financial Statements 31 March 2008. Amounts in thousands of ISK

Notes to the interim financial statements

1. General information

Spölur ehf´s purpose is to take care of the preparation, financing and execution of a road/tunnel construction near the mouth of Hvalfjordur as well as the operation of the tunnel until all debt has been repaid as laid down by Act No. 45/1990 on the Hvalfjordur Road Shortcut Project in accordance with an agreement with the Icelandic Ministry of Transport on behalf of the Icelandic Government.

The company has its security bonds listed on the OMX Nordic Exchange in Iceland.

The financial statements are presented in Icelandic krona (ISK), rounded to thousand.

These interim financial statements have been approved for issue by the board of directors on 30 May 2008.

2. Summary of significant accounting policies

2.1 Basis of preparation

These March 2008 interim financial statements of Spölur cover the six months ended 31 March 2008. They have been prepared in accordance with IAS 34, Interim Financial Reporting. These interim financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations, International Financial Reporting Interpretations Committee, issued and effective or issued and early adopted as at the time of preparing these statements (May 2008).

The policies set out below have been consistently applied to all the years presented.

At date of authorisation of these interim financial statements, the following standard were in issue but not effective:

	Effective date for annual periods beginning
IFRS 8 Operating Segments	on or after 1 January 2009

Adoption of this standard will have no material impact on the financial statements of the Company.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. See note 4.

Spölur ehf. Interim Financial Statements 31 March 2008. Amounts in thousands of ISK

Notes to the interim financial statements

2.2 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. At 31 March 2008, the Company is organised on a national basis into one business segments: (1) toll. No segment results are therefore presented.

2.3 Foreign currency translation

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 the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

2.4 Property, plant and equipment

Property, plant and equipment comprise mainly Hvalfjordur tunnel, its start-up and construction costs. All property, plant and equipment (PPE) is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Hvalfjord tunnel project, start-up and construction cost	35 years
Motor vehicles, transponders and equipment.	5-7 years

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement.

2.5 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the interim financial statements

2.6 Receivables and prepayments

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 the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.8 Share capital

Ordinary shares are classified as equity.

2.9 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 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 12 months after the balance sheet date.

2.11 Deferred income tax

Deferred income 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 consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income 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.

2.12 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 the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provision includes return fee of transponders.

Notes to the interim financial statements

2.13 Deferred income

Deffered income is front-end fees received from customers as a prepayment for traveling through the tunnel. These amounts are non-refundable and are released to income as the tunnel are traveled through.

2.14 Revenue recognition

Income from toll is stated in the income statement as net of sales expense of transponders and value added tax. The revenue recognition is on delivered services.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.15 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the interim financial statements in the period in which the dividends are approved by the Company's shareholders meeting.

2.16 Comparatives

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

3. Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including Currency risk, fair value interest rate risk and cash flow interest rate risk) and credit risk.

(a) Market risk

(i) Foreign exchange risk

The Company has certain borrowings in foreign currency whose are exposed to foreign Currency translation risk. Currency exposure arising from them is managed primarily through keeping them in mininum as part of borrowings and in several currencys.

(b) Credit risk

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and services not provided until payments are secured.

(c) Cash flow and fair value interest rate risk

The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. Company policy is to maintain approximately 80-90% of its borrowings in fixed rate instruments. During 2008 and 2007, the Company's borrowings at variable rate were denominated in following currencys: USD, CHF, JPY and EUR.

Notes to the interim financial statements

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

3.2 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

4. Critical accounting estimates and judgments

Estimates and judgments 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. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results.

Notes to the interim financial statements

5. Quarterly results

	Q2 1/1 08 - 31/3 08	Q1 1/10 07 - 31/12 07	Q4 1/7 07 - 30/9 07	Q3 1/4 07 - 30/6 07	Q2 1/1 07 - 31/3 07
Toll	190.796	205.922	348.252	286.659	196.621
Maintenance and operation of tunnel	(77.070)	(31.843)	(36.736)	(31.775)	(35.153)
Office and administrative expenses	(24.398)	(33.788)	(27.763)	(23.960)	(24.005)
Depreciation	(55.443)	(57.977)	(57.977)	(57.922)	(56.976)
Profit from operations (EBIT)	33.885	82.314	225.776	173.002	80.487
Finance costs - net	(212.376)	(110.419)	(89.094)	(74.431)	1.759
Profit (loss) before tax	(178.491)	(28.106)	136.682	98.571	82.245
Income tax expense	32.128	5.059	(24.603)	(17.743)	(14.804)
Net profit (loss)	(146.362)	(23.047)	112.079	80.828	67.441
Operating profit before depreciation (EBITDA)	89.328	140.291	283.753	230.924	137.463

6. Finance income and costs

	1/10 07 - 31/3 08	**1/10 06 - 31/3 07**
Interest expense:		
- bank borrowings	(89.831)	(99.721)
- other interest expenses	(13)	(9)
	(89.844)	(99.730)
Interest income	23.436	28.919
Net foreign exchange transaction gains/(losses) and indexation	(256.388)	3.037
Net finance cost	(322.795)	(67.775)

7. Income tax expense

Deferred tax (Note 13)	(37.187)	19.562
Profit (loss) before tax	(206.596)	108.680
Tax calculated at domestic tax rates applicable to profit (loss)	(37.187)	19.562
Tax charge	(37.187)	19.562

The weighted average applicable tax rate was 18% (2007: 18%).

Spölur ehf. Interim Financial Statements 31 March 2008. Amounts in thousands of ISK

Notes to the interim financial statements

8. Property, plant and equipment

	Start-up and construction cost of road tunnel	Motor vechicles, transponders and office equipments	Total
At 1 October 2006			
Cost	6.681.241	242.434	6.923.676
Accumulated depreciation	(2.047.045)	(130.730)	(2.177.776)
Net book amount	4.634.196	111.704	4.745.900
Six months ended 31 March 2007			
Opening net book amount at 1 October 2006	4.634.196	111.704	4.745.900
Additions	29.668	23.765	53.432
Depreciation charge	(95.611)	(17.989)	(113.599)
Closing net book amount	4.568.253	117.480	4.685.733
Six months ended 30 September 2007			
Opening net book amount	4.568.253	117.480	4.685.733
Additions	24.225	0	24.225
Depreciation charge	(96.118)	(19.782)	(115.900)
Closing net book amount	4.496.360	97.698	4.594.057

	Start-up and construction cost of road tunnel	Motor vechicles, transponders and office equipments	Total
At 30 September 2007			
Cost	6.735.134	266.199	7.001.333
Accumulated depreciation	(2.238.774)	(168.501)	(2.407.275)
Net book amount	4.496.360	97.698	4.594.057
Six months ended 31 March 2008			
Opening net book amount	4.496.360	97.698	4.594.058
Additions	9.769	26.226	35.995
Depreciation charge	(96.198)	(17.222)	(113.420)
Closing net book amount	4.409.931	106.701	4.516.633
At 31 March 2008			
Cost	6.744.903	292.425	7.037.328
Accumulated depreciation	(2.334.972)	(185.724)	(2.520.695)
Net book amount	4.409.931	106.701	4.516.633

Spölur ehf. Interim Financial Statements 31 March 2008. Amounts in thousands of ISK

Notes to the interim financial statements

9. Receivables and prepayments

	31/3 2008	30/9 2007
Current receivables and prepayments:		
Trade receivables	62.541	73.305
Less: Provision for impairment of receivables	(5.595)	(5.595)
Trade receivables – net	56.946	67.710
Receivables from related parties (note 19)	735	286
Receivables from parent	159.741	169.345
Other receivables and prepayments	13.395	21.131
	230.818	258.471

10. Share capital

	Number of shares (thousands)	Ordinary shares	Treasury shares	Total
At 1 October 2006	86.000	86.000	0	86.000
At 31 March 2007	86.000	86.000	0	86.000
At 1 October 2007	86.000	86.000	0	86.000
At 31 March 2008	86.000	86.000	0	86.000

The total authorised number of ordinary shares is 86 million shares (2007 : 86 million shares) with a par value of ISK 1 per share (2007 : ISK 1 per share). All issued shares are fully paid.

11. Trade and other payables

Trade payables	49.626	13.022
Accruals and other payables	84.487	29.061
	134.113	42.083

12. Borrowings

Non-current:		
Bank borrowings	3.836.266	3.572.596
Current:		
Bank borrowings	352.804	336.160
Total borrowings	4.189.069	3.908.756

Bank borrowings are secured by trade receivables, shares and cash.

Liabilities in currency:	Total 31/3 2008	Total 30/9 2007
Liabilities in ISK, index linked, fixed 3,75% interest	2.814.192	2.678.074
Liabilities in ISK, index linked, fixed 4,65% interest	1.025.128	976.766
Liabilities in EUR, 3 months LIBOR plus fixed premium	168.966	122.598
Liabilities in USD, 3 months LIBOR plus fixed premium	57.570	46.380
Liabilities in CHF, 3 months LIBOR plus fixed premium	76.840	52.820
Liabilities in JPY, 3 months LIBOR plus fixed premium	46.374	32.118
	4.189.069	3.908.756
Current maturates	(352.804)	(336.160)
	3.836.266	3.572.596

Spölur ehf. Interim Financial Statements 31 March 2008. Amounts in thousands of ISK

Notes to the interim financial statements

Annual maturates of non-current liabilities:	**31/3 2008**	**30/9 2007**
Year 2009 / 2008	352.804	336.160
Year 2010 / 2009	352.804	336.160
Year 2011 / 2010	352.804	336.160
Year 2012 / 2011	352.804	336.160
Later	2.777.855	2.564.117
	4.189.069	3.908.756

13. Deferred income tax

Deferred income taxes are calculated in full on temporary differences under the liability method.

The gross movement on the deferred income tax account is as follows:

1 October 2006	102.376
Income statement charge (Note 7)	19.562
End of the six months period 31 March 2007	121.939
1 April 2007	121.939
Income statement charge	42.345
End of the six months period 30 September 2007	164.284
1 October 2007	164.284
Income statement charge (Note 7)	(37.187)
End of the six months period 31 March 2008	127.097

Deferred income tax liability (assets) analyses on the following items:

Non-current assets	310.982	292.941
Taxable loss carried forward	(183.885)	(128.657)
	127.097	164.284

14. Provisions

Provision due to transponders:

At 1 October 2006	58.739
Changes entered into income statement	3.988
At 31 March 2007	62.727
At 1 April 2007	62.727
Changes entered into income statement	7.147
At 30 September 2007	69.874
At 1 October 2007	69.874
Changes entered into income statement	2.335
At 31 March 2008	72.209

Analysis of total provisions:

Non-current	72.209	69.874

Spölur ehf. Interim Financial Statements 31 March 2008. Amounts in thousands of ISK

Notes to the interim financial statements

15. Earnings per share

Earnings per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of outstanding shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares.

	1/10 07 - 31/3 08	**1/10 06 - 31/3 07**
Net profit (loss) attributable to shareholders	(169.409)	89.118
Weighted average number of outstanding shares in issue (thousands)	86.000	86.000
Earnings per share, basic and diluted	(1,97)	1,04

16. Insurance

The assets of the Company are insured for ISK 4.750 million and a cover for loss of revenue up to ISK 1.493 million has been arranged, the same amounts apply for insurance for terror regarding assets and cover for loss of revenue. A General Liability Insurance cover of ISK 1.716 million is in place.

17. Dividends per share

The dividend paid in 2008 was ISK 32,4 million (ISK 0.38 per share). The dividend paid in 2007 was ISK 31.5 million (ISK 0.37 per share).

18. Cash generated from operations

	1/10 07 - 31/3 08	**1/10 06 - 31/3 07**
Net profit (loss)	(169.409)	89.118
Adjustments for:		
Tax	(37.187)	19.562
Depreciation	113.420	113.599
Interest expense and foreign exchange rate differences	245.416	(9.905)
Changes in working capital:		
Trade receivables and prepayments	45.404	24.107
Payables	97.714	66.115
Provisions due to transponders	2.335	3.988
Cash generated from operations	297.693	306.584

Spölur ehf. Interim Financial Statements 31 March 2008. Amounts in thousands of ISK

Notes to the interim financial statements

19. Related-party transactions

The company is controlled by Eignarhaldsfélagið Spölur hf. The ultimate controlling parties of Eignarhaldsfélagið Spölur hf. are Associated Icelandic Ports, State Treasury, Icelandic Alloys, Icelandic Road Administration and Hvalfjardarsveit. Each hold more than 10% of the share capital in Eignarhaldsfélagið Spölur hf.

The following transactions were carried out with related parties:

(a) Toll	**1/10 07 - 31/3 08**	**1/10 06 - 30/9 07**
Toll:		
– Members of the board and managing director	120	327
– Owners in its parent	2.154	3.424
	2.273	3.751

(b) Key management compensation

Salaries	9.002	13.748

(c) Period-end balances arising from sales of toll

Receivables from related parties (note 9):		
– Owner in its parent	735	286

The receivables from related parties arise mainly from sale transactions and are due 10 days after the date of sales.

Spölur ehf. Interim Financial Statements 31 March 2008. Amounts in thousands of ISK