

# NOBINA AB – INTERIM REPORT

## SECOND QUARTER (JUNE 1 – AUGUST 31, 2010)

- Sales reached SEK 1,582 million (1,454), an increase of 9 percent or SEK 128 million.
- Operating profit of SEK 90 million (58).
- Earnings for the period of SEK 45 million (59), affected by an unrealized capital gain of SEK 13 million (56) on the Company's Senior Notes. Earnings per share of SEK 1.81 (1.51).
- Cash flow from the operations amounted to SEK 77 million (123). Cash flow after net investments amounted to SEK -211 million (-109).
- The Group's investments, primarily relating to the purchase of buses, amounted to SEK 229 million (582), financed through leasing agreements of SEK 207 million (535) and in cash in the amount of SEK 22 million (47).

## FIRST HALF OF THE YEAR (MARCH 1 – AUGUST 31, 2010)

- Sales reached SEK 3,311 million (3,009), an increase of 10 percent or SEK 302 million.
- Operating profit of SEK 138 million (111).
- Earnings for the period of SEK 46 million (135), affected by an unrealized capital gain of SEK 24 million (151) on the Company's Senior Notes. Earnings per share of SEK 1.85 (10.97).
- Cash flow from the operations amounted to SEK 224 million (283). Cash flow after net investments amounted to SEK -166 (-14).
- The Group's investments, primarily relating to the purchase of buses, amounted to SEK 438 million (618), financed through leasing agreements of SEK 397 million (556) and in cash in the amount of SEK 41 million (62).

## SIGNIFICANT EVENTS

- On June 22 the Swedish Parliament adopted a decision regarding further deregulation of public transport commencing January 1, 2012.
- SEK 115 million was repaid on the Group's Senior Notes during the second quarter.
- During the second quarter, Nobina won procurement contracts for Västtrafik, Norrköping and Malmö city. In total during the first half of the year, Nobina was awarded 51 percent of the traffic volume in the decided tender procedures in which the Group participated.

## CEO's comments

*During the second quarter, increased traffic volume and a price trend together with more efficient operation contributed to a significantly improved operating profit. The index trend is proceeding in the right direction and we assess that the index levels will be restored to more normal conditions within the next few years. The first half of the year has been characterized by continued extensive tender work, which has resulted in us winning more than half of the decided tender procedures in which we have participated. Regarding the overall trend on the Nordic markets, we see an increasing stability and few threats that can affect the positive market trend of public transport. We are now awaiting how the outcome of the Swedish elections will affect the implementation of the law regarding further deregulation of public transport.*

*Ragnar Norbäck, CEO*

## Key ratios

The Group (SEK millions, unless otherwise stated)	Quarter		Period		Prev. full year	R12*
	Jun–Aug 10	Jun–Aug 09	Mar–Aug 10	Mar–Aug 09	Mar 09–Feb 10	Sep 09–Aug 10
Sales	1,582	1,454	3,311	3,009	6,308	6,610
Operating profit	90	58	138	111	192	219
Earnings after finance net	45	59	46	135	121	32
Earnings after tax	45	59	46	135	121	32
Cash flow	-211	-109	-166	-14	-67	-
Cash and cash equivalents	160	386	160	386	331	-
Equity ratio, %	-	-	3.5	2.9	2.8	-
Shareholders' equity	-	-	174	143	137	-
Shareholders' equity/ ordinary shares, SEK	-	-	6.98	5.73	5.49	-
Number of buses	3,627	3,543	3,627	3,543	3,553	-
Estimated full time positions	6,506	6,201	6,506	6,201	7,318	-

\* R12 means rolling 12 months means, September 2009 – August 2010

## Development of the business

### THE GROUP

An increased traffic volume and an improved price level from new contracts as well as an improved indexation outcome for contract compensation, have contributed to growth of 9 percent during the second quarter. Following the extraordinary winter effects, which were reported for the first quarter, costs for maintenance, damage and fuel consumption have developed positively during the second quarter. In all, sales growth and increased efficiency during the second quarter have contributed to an improvement in earnings of SEK 32 million (+55%) compared with the corresponding quarter of last year. The development during the first six months is explained by the same factors as the development for the second quarter.

Explanation items for revenue and earnings growth (SEK millions)	Revenues and earnings	
	Revenues	EBIT
<b>Period Mar–Aug 2009</b>	<b>3,009</b>	<b>111</b>
Price and volume	+84	+43
Contract changes	+223	+3
Indexation	+57	-16
Business efficiency	-	+13
Non-recurring expenses	-	-8
Fleet finance and use	-	+18
Adjustment, Denmark	-	-6
Other	-62	-20
<b>Period Mar–Aug 2010</b>	<b>3,311</b>	<b>138</b>

### REGIONAL TRAFFIC BUSINESS AREA

During the second quarter, tender work for the year's procurement procedures has been extensive within the *regional traffic* business area, with the objective of securing, as far as possible, new contract volumes corresponding to the current year's tender exposure of 673 buses. Of the procurement procedures decided during the first half of the year, Nobina has won 51 percent of the contract volume. Sales increased by 9 percent during the second quarter compared with last year, and by 10 percent during the first half of the year, which is more than expected. The primary factors behind the increase are contracts prematurely terminated by competitors as well as non-utilized option periods, combined with growth from new areas which are outsourcing traffic for the first time. Improved indexation and more efficient operation of the increased traffic volume have increased the operating profit compared with last year, by 80 percent during the second quarter and 14 percent during the first half of the year. Operations have been rendered more efficient as regards fleet management as well as planning of the drivers' work schedules.

During the first half of the year, Nobina submitted tenders for 900 buses with a total contract value of SEK 13,273 million; it won tenders for 236 buses with a contract value of SEK 3,242 million, and is awaiting the results of tenders regarding 436 buses. Tender gains were obtained in Sweden for traffic for Västtrafik (Grön Express), Norrköping and Malmö city.

Tender situation per country, H1 (In number of buses unless otherwise stated)	Procurements during the period			Traffic during the period		
	Submitted	Won	Lost	Number in traffic	Commenced	Concluded
Sweden	706	178	92	2,134	221	297
Norway	91	0	91	438	0	0
Finland	103	58	45	356	26	33
Denmark	0	0	0	133	27	0
<b>Total regional traffic</b>	<b>900</b>	<b>236</b>	<b>228</b>	<b>3 061</b>	<b>274</b>	<b>330</b>

#### INTER-REGIONAL TRAFFIC BUSINESS AREA

Sales for the *inter-regional traffic* business area during the second quarter were largely unchanged compared with last year. A reduction in the number of passengers was offset by an improved average price per sold ticket. The decline in the number of passengers is due to a reduction in holidays spent in Sweden combined with a reduced range of, and interest in, events. Within *inter-regional traffic*, a higher average price per journey combined with efficient traffic production contributed to an improvement in the traffic margin, which has created scope for investments in marketing and IT development. Efficient capacity planning has reduced costs for subcontractors during the second quarter and kept the load factor at over 60 percent.

The new airport transfer between Stockholm City and Arlanda airport has started well and thus far without any price war breaking out with the established operator, Flygbussarna (Veolia). A survey demonstrates that Swebus has strengthened its already high brand awareness among customers, to 69 percent from 61 percent last year.

## Sales

#### SECOND QUARTER (JUNE 1 – AUG 31, 2010)

The Group's sales increased to SEK 1,582 million (1,454), an increase of 9 percent compared with the corresponding quarter of last year.

Sales within the *regional traffic* business area increased by SEK 124 million during the second quarter compared with the corresponding quarter of last year to SEK 1,496 million (1,345). Of this sum, SEK 146 million related to increased sales from new contracts and SEK 39 million to reduced sales as a consequence of expired contracts. The remainder relates to price and volume changes in existing contract agreements.

Sales within the *inter-regional traffic* business area in the second quarter were SEK 128 million, compared with SEK 129 million last year.

#### FIRST HALF OF THE YEAR (MARCH 1 – AUG 31, 2010)

The Group's sales increased to SEK 3,311 million (3,009), an increase of 10 percent compared with the corresponding period of last year.

Sales within the *regional traffic* business area increased during the first half of the year by SEK 279 million compared with the corresponding period of last year, to SEK 3,101 million (2,822). Of this amount, SEK 327 million related to increased sales from new contracts and SEK 104 million to reduced sales as a consequence of expired contracts. The remainder relates to price and volume changes in existing contract agreements.

Revenues (SEK millions)	Quarter		Period		Prev. full year	R 12 months
	Jun-Aug 10	Jun-Aug 09	Mar-Aug 10	Mar-Aug 09	Mar 09–Feb 10	Sep 09–Aug 10
<b>Revenues per segment</b>						
<i>Nobina Sweden</i>	1,011	962	2,159	2,025	4,228	4,362
<i>Nobina Denmark</i>	82	49	161	91	196	266
<i>Nobina Norway</i>	199	151	406	312	739	833
<i>Nobina Finland</i>	177	183	375	394	801	782
<b>Total regional traffic</b>	<b>1,469</b>	<b>1,345</b>	<b>3,101</b>	<b>2,822</b>	<b>5,964</b>	<b>6,243</b>
<i>Swebus</i>	128	129	241	221	412	432
<b>Total inter-regional traffic</b>	<b>128</b>	<b>129</b>	<b>241</b>	<b>221</b>	<b>412</b>	<b>432</b>
<i>Elimination of sales between segments</i>	-15	-20	-31	-34	-68	-65
<b>Total revenues</b>	<b>1,582</b>	<b>1,454</b>	<b>3,311</b>	<b>3,009</b>	<b>6,308</b>	<b>6,610</b>

*Inter-regional traffic* sales increased during the first half of the year by 9 percent compared with the corresponding period of last year to SEK 241 million (221) due to an increased number of passengers as well as an improved average price on sold tickets.

Development, inter-regional traffic (Swebus)	Quarter		Period		Prev. full year	R 12 months
	Jun-Aug 10	Jun-Aug 09	Mar-Aug 10	Mar-Aug 09	Mar 09-Feb 10	Sep 09-Aug 10
Number of passengers	652,093	651,930	1,230,069	1,189,021	2,216,912	2,107,850
Number of driven km	4,905,676	4,449,293	9,424,527	9,159,177	17,438,632	16,254,730
Load factor, %	61	64	60	59	56	56
Average revenues/km (SEK)	27.30	28.90	25.50	24.00	23.60	22.90
Average revenues/passenger (SEK)	196	195	195	183	177	176

## Earnings

### SECOND QUARTER (JUNE 1 – AUG 31, 2010)

The Group's operating profit for the second quarter was SEK 90 million (58), of which SEK 65 million (36) related to *regional traffic* and SEK 27 million (26) to *inter-regional traffic*. The Group's operating expenses relate primarily to personnel costs which include wages, payroll overhead, pensions as well as fuel, tires and leasing costs. Costs during the second quarter increased by 6 percent compared with the corresponding quarter of last year, to SEK 1,396 million (1,313). The Group's fuel costs increased by SEK 24 million due to volume increases of SEK 11 million as well as increased diesel prices of SEK 13 million, amounting to SEK 9.12 per liter (8.52). In addition to depreciation according to plan, the Group has made write-downs of SEK -5 million (-4) on vehicles sold or which are for sale.

The finance net was down by SEK 46 million, due to exchange rate changes on Nobina Europe AB's Senior Notes, entailing an unrealized translation difference of SEK 13 million (56). The Group's earnings after tax for the second quarter amounted to SEK 45 million, compared with SEK 59 million for the corresponding quarter of last year.

### FIRST HALF OF THE YEAR (MARCH 1 – AUG 31, 2010)

The Group's operating profit for the first half of the year was SEK 138 million (111), of which SEK 111 million (97) relates to regional traffic and SEK 38 million (29) to inter-regional traffic. Costs during the first half of the year increased by 10 percent compared with the corresponding period of last year, to SEK 2,986 million (2,734). The Group's fuel costs increased by SEK 63 million due to volume increases of SEK 26 million and an increase of SEK 37 million in diesel prices, amounting to SEK 9.12 per liter (8.33). In addition to depreciation according to plan, the Group has made write-downs of SEK -7 million (-12) on vehicles which have been sold or are for sale.

The finance net was SEK 116 million weaker due to exchange rate changes on Nobina Europe AB's Senior Notes, entailing an unrealized translation difference of SEK 24 million (151). The Group's earnings after tax for the first half of the year amounted to SEK 46 million, compared with SEK 135 million in the corresponding period of last year.

### Operating profit per segment

Operating profit (SEK millions)	Quarter		Period		Prev. full year	R 12 months
	Jun-Aug 10	Jun-Aug 09	Mar-Aug 10	Mar-Aug 09	Mar09-Feb10	Jun09-May10
<b>Operating profit</b>						
<i>Nobina Sweden</i>	55	39	105	93	205	217
<i>Nobina Denmark</i>	-8	-5	-20	-11	-30	-39
<i>Nobina Norway</i>	16	4	23	11	21	33
<i>Nobina Finland</i>	2	-2	3	4	7	6
<b>Total regional traffic</b>	<b>65</b>	<b>36</b>	<b>111</b>	<b>97</b>	<b>203</b>	<b>217</b>
<i>Swebus</i>	27	26	38	29	42	51
<b>Total inter-regional traffic</b>	<b>27</b>	<b>26</b>	<b>38</b>	<b>29</b>	<b>42</b>	<b>51</b>
<i>Central functions and other items</i>	-2	-4	-11	-15	-53	-49
<b>Total operating profit</b>	<b>90</b>	<b>58</b>	<b>138</b>	<b>111</b>	<b>192</b>	<b>219</b>

Income statement (SEK millions)	Group					
	Jun-Aug 10	Jun-Aug 09	Mar-Aug 10	Mar-Aug 09	Mar09-Feb10	R 12 months
Sales	1,582	1,454	3,311	3,009	6,308	6,610
Operating profit	90	54	138	111	192	219

Income statement (SEK millions)	Regional traffic					
	Jun-Aug 10	Jun-Aug 09	Mar-Aug 10	Mar-Aug 09	Mar09-Feb10	R 12 months
Sales	1,469	1,345	3,101	2,822	5,964	6,243
Operating profit	65	36	111	97	203	217

Income statement (SEK millions)	Interregional traffic					
	Jun-Aug 10	Jun-Aug 09	Mar-Aug 10	Mar-Aug 09	Mar09-Feb10	R 12 months
Sales	128	129	241	221	413	432
Operating profit	27	26	38	29	42	51

## Financial position

Available cash and cash equivalents at the end of the period amounted to SEK 160 million (386). In addition, the Group had funds in escrow of SEK 144 million (149) primarily as security for submitted tenders and executed traffic agreements.

During the second quarter SEK 115 million was repaid on the Group's Senior Notes, resulting in a reduced future interest expense for the Group of SEK 10 million per year, and also reducing the Group's currency exposure.

No changes have occurred regarding the Group's shareholders' equity.

## Investments

The Group's cash investments during the second quarter relate to the purchase of other fixed assets and the purchase of buses including accessories in the amount of SEK 22 million (47), corresponding to 10 (15) buses. Through its subsidiary Nobina Fleet AB, the Group signed financial leasing agreements during the second quarter amounting to SEK 207 million (535) in acquisition value, corresponding to 161 (275) buses. The Group's financial leasing agreements have been classified as fixed assets in the balance sheet and the leasing obligations are reported as liabilities in the balance sheet. Depreciation and interest expenses are reported in the income statement.

During the second quarter, the Group sold buses valued at SEK 3 million (3), corresponding to 52 buses (57). The sales entailed a capital loss of SEK 2 million (2).

## Cash flow

Cash flow from the operations amounted to SEK 77 million (123) during the second quarter. Cash flow after net investments amounted to SEK -211 million (-109).

Cash flow from the operations amounted to SEK 224 million (283) during the first six months. Cash flow after net investments amounted to SEK -166 million (-14). Compared with the corresponding first half of last year, the weaker cash flow is due primarily to larger repayments of principal on lease debts amounting to SEK -135 million (-92), reduced investments of SEK -42 million (-68), and changes in working capital amounting to SEK -97 million (21). Accrual one-off-payments have affected the cash flow for the first six months by 54 MSEK.

## Taxes

The Group has large historical accumulated loss carry-forwards, which have not been activated as deferred tax receivables; see the corresponding section in the annual report.

## Personnel

During the period there were on average 6,506 (6,201) employees. In all countries in which the Nobina Group operates, collective agreements are applied in accordance with agreements with the trade unions representing employees within the industry in which the relevant company operates. There are well-established practices and traditions as to the manner in which work times, compensation conditions, information and cooperation are negotiated and applied between employee representatives and the Company.

## Significant events

- On June 22, the Swedish Parliament adopted a decision regarding further deregulation of public transport commencing January 1, 2012. Private operators will have the possibility to establish new lines on a commercial basis, while essential public transport will continue to be provided by operators within the scope of procured contracts with PTAs.
- Nobina won contracts for Västtrafik (Grön Express), Norrköping and Malmö city. In total, during the first half of the year, 51 percent of traffic volume was awarded to Nobina in the decided tender procedures in which the Group took part.
- A new head of Nobina Norge has been recruited.

## Parent company

The parent company has 34 (9) employees who are engaged in overall Group management, financial administration, IT, HR and wage functions. The parent company's earnings before tax were SEK 27 million (0), while cash and cash equivalents at the end of the period amounted to SEK 3 million (19), of which SEK 33 million (37) were funds in escrow.

## Transactions with closely related parties

No transactions with closely-related parties have taken place during the first half of the year.

## Seasonal variations

Sales and earnings trends differ per quarter for the regional and interregional operations. For the regional operations the third quarter is the strongest due to high timetable production as a result of a large number of weekdays and a high level of social activity, while the second quarter is weakest due to low timetable production during the holiday period. The trend for interregional operations differs, with the second quarter being strongest due to a high number of passengers during the holiday period, while the third quarter is weakest due to a small number of holidays, resulting in fewer passengers. The breakdown of sales and earnings per quarter for regional and interregional traffic last year is shown in the key ratio table on page 16.

## Risk and uncertainty factors

The Nobina Group is exposed to interest rate risks in relation to the Company's financial and operational leasing. Leasing fees are based primarily on variable market interest rates. Interest rate risks are hedged from time to time through the use of interest rate derivatives. During the first half of the year, the Group had no interest rate hedging contracts.

The Group's refinancing risk is low since the Group's Senior Notes of EUR 130 million were refinanced on August 1<sup>st</sup>, 2009, with new three-year Senior Notes, also issued by the subsidiary Nobina Europe AB. The new Senior Notes of nominally EUR 121.5 million carry the same coupon rate as previously, i.e. 9.125 percent, with payment days on February 1 and August 1 each year. On February 1, 2010, a possibility to voluntarily repay 10 percent of the principal, i.e. EUR 12 million, was exercised, and on August 1, 2010, a mandatory repayment was made of the same amount, thus the outstanding principal owed on August 31, 2010 was EUR 97 million. Compared with earlier senior notes, there is now an enhanced possibility to raise another loan of up to SEK 400 million ranking *pari passu* with the Senior Notes.

Nobina is exposed to exchange rate fluctuations on the Senior Notes. A ten percent fluctuation in the exchange rate between EUR and SEK implies a risk for unrealized annual income effects of 89 MSEK given the existing outstanding loan amount of 97 MEUR. A ten percent depreciation of the Swedish krona results in an increased annual cost of 8 MSEK in interest payments on the Senior Notes. The Group's finance policy states that currency risks may be hedged through currency derivatives. During the first half of the year, the Group had no currency hedging contracts with respect to currency exposure on the Senior Notes.

The Group is exposed to changes in the price of diesel through its purchases of diesel. Diesel is purchased on the international commodities market in USD, entailing an implicit currency risk. Through revenue indices in its PTA contracts, the Group is compensated in part for changes in the price of diesel. Based on the estimated diesel consumption, an increase of USD 10 per tonne in the price of diesel would increase the net diesel cost by SEK 1.2 million per financial year. Diesel consumption in the operations is hedged to just over 90 percent through revenue indices in PTA contracts. In April, the Group signed diesel caps for the Norwegian subsidiary with respect to 800 metric tonnes per month for the period May - December 2010, which cover 95 percent of consumption, and for the Swedish subsidiaries regarding 900 metric tonnes for the period May - October 2010. The strike level for the caps is USD 792 per metric tonne. The executed caps have not resulted in any payment being made during the period.

For more information regarding risks and uncertainty factors, see the corresponding section in Nobina's annual report 2009-2010.

## Accounting principles

Nobina's consolidated financial statements for the first half of 2010, as well as the annual accounts for 2009/2010, have been prepared in accordance with International Financial Reporting Standards (IFRS) and, given the nature of Nobina's transactions, in accordance with IFRS as adopted by the EU. Except where stated below, the same accounting principles and calculation methods have been used in this report as in the 2009/10 annual report under "Company information and accounting principles".

The financial statement for the parent company, Nobina AB, has been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2.3, Reporting for legal entities, and statements issued by the Swedish Financial Reporting Board. This interim report has been prepared in accordance with IAS 34 and the Swedish Accounting Standards Board's General Guidelines regarding voluntary interim reporting (BFNAR 2007:1).

New standards for the financial year have had no impact on the consolidated income statement and balance sheet. See other information in the 2009/10 annual report.

## Other

A Swedish translation of this report is available on [www.nobina.com](http://www.nobina.com).

## Telephone conference

Nobina will present the interim report and answer to questions during a telephone conference on Tuesday, September 28 at 10.00 am CET. The presentation will be available on the website in connection with the telephone conference.

Telephone numbers for participants:

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UK: +44 (0) 20 7162 0077

For telephone numbers from other countries, please see the website or contact Nobina.

## Assurance

The CEO hereby provides an assurance that the half-year report provides a true and fair view of the operations, financial position and earnings of the Company and the Group and describes the significant risks and uncertainty factors facing the Company and companies in the Group.

Stockholm, September 28, 2010

Ragnar Norbäck  
President and CEO

## Future reports

Interim report September - November  
Unaudited earnings figures December - February

December 21, 2010  
April 27, 2011

## Contacts

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***This report has not been audited by Nobina's auditors.***

The Nobina group is the largest company in the Nordic region within the area of public transport by bus, and its business concept is to simplify the customers' daily travel. The operations include contractual regional traffic in the Nordic region as well as inter-regional traffic. The Group consists of the operating companies Nobina Sverige AB and Swebus Express AB in Sweden, Nobina Norge AS, Nobina Finland Oy and Nobina Danmark A/S. With approximately 266 million passengers per year, Nobina is one of the ten largest passenger transport companies in Europe.



## Consolidated income statement in brief

SEK millions, unless otherwise stated	Quarter		Period		Pr. full year
	Jun–Aug 10	Jun–Aug 09	Mar–Aug 10	Mar–Aug 09	Mar 09–Feb 10
<b>Net sales</b>	<b>1,582</b>	<b>1,454</b>	<b>3,311</b>	<b>3,009</b>	<b>6,308</b>
<b>OPERATING EXPENSES</b>					
Fuel, tires and other consumables	-330	-307	-712	-639	-1,371
Other external expenses	-278	-261	-584	-539	-1,127
Personnel expenses	-788	-745	-1,690	-1,556	-3,275
Capital gain/loss on sale of fixed assets	-2	-2	-5	-2	-3
Depreciation/write-down of tangible fixed assets	-94	-81	-182	-162	-340
<b>OPERATING PROFIT</b>	<b>90</b>	<b>58</b>	<b>138</b>	<b>111</b>	<b>192</b>
Financial revenues	3	2	5	5	10
Financial expenses	-48	-1	-97	19	-81
<b>FINANCE NET</b>	<b>-45</b>	<b>1</b>	<b>-92</b>	<b>24</b>	<b>-71</b>
<b>EARNINGS BEFORE TAX</b>	<b>45</b>	<b>59</b>	<b>46</b>	<b>135</b>	<b>121</b>
Tax	-	-	-	-	-
<b>NET EARNINGS FOR THE PERIOD</b>	<b>45</b>	<b>59</b>	<b>46</b>	<b>135</b>	<b>121</b>
Earnings for the period attributable to the parent company's shareholders	45	59	46	135	121
Earnings per share before dilution (SEK)	1.81	1.51	1.85	10.97	9.96
Earnings per share after dilution (SEK)	1.81	1.51	1.85	10.97	9.96
Average number of shares before dilution (thousands)	24,928	15,868	24,928	9,110	8,727
Average number of shares after dilution (thousands)	24,928	15,868	24,928	9,110	8,727

## Consolidated statement of comprehensive income

SEK millions, unless otherwise stated	Quarter		Period		Pr. full year
	Jun – Aug 10	Jun – Aug 09	Mar – Aug 10	Mar – Aug 09	Mar 09–Feb 10
<b>Net earnings for the period</b>	<b>45</b>	<b>59</b>	<b>46</b>	<b>135</b>	<b>121</b>
<b>Other comprehensive income</b>					
Revenues and expenses reported directly against equity	-	-	-	-	-
Exchange rate differences on foreign operations	-10	-6	-9	-37	-29
<b>Other comprehensive income for the period, net after</b>	<b>-10</b>	<b>-6</b>	<b>-9</b>	<b>-37</b>	<b>-29</b>
<b>Total comprehensive income for the period</b>	<b>35</b>	<b>53</b>	<b>37</b>	<b>98</b>	<b>92</b>
<b>Comprehensive income for the period attributable to the parent company's owners</b>	<b>35</b>	<b>53</b>	<b>37</b>	<b>98</b>	<b>92</b>

## Consolidated balance sheet in summary

SEK millions, unless otherwise stated	Period		Pr. full year
	Aug 31, 2010	Aug 31, 2009	Feb 28, 2010
<b>ASSETS</b>			
<b>Fixed assets</b>			
Goodwill	680	682	687
Other intangible fixed assets	2	-	5
Improvement expenditures on third-party property	6	8	7
Equipment, tools, fixtures and fittings	47	49	42
Vehicles	2,961	2,477	2,748
Long-term receivables	18	8	18
Deferred tax receivables	8	32	8
<b>Total fixed assets</b>	<b>3,722</b>	<b>3,256</b>	<b>3,515</b>
<b>Current assets</b>			
Inventory	48	41	40
Accounts receivable	386	414	491
Other current receivables	57	47	71
Prepaid expenses and accrued revenue	327	224	269
Funds in escrow	144	149	141
Cash and cash equivalents	160	386	331
<b>Total fixed assets</b>	<b>1,122</b>	<b>1,261</b>	<b>1,343</b>
<b>TOTAL ASSETS</b>	<b>4,844</b>	<b>4,517</b>	<b>4,858</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>174</b>	<b>143</b>	<b>137</b>
<b>Long-term liabilities</b>			
Senior Notes	734	997	859
Other liabilities	2,299	1,908	2,096
Provisions for pensions and similar obligations	42	70	44
Other provisions	77	59	88
<b>Total long-term liabilities</b>	<b>3,152</b>	<b>3,034</b>	<b>3,087</b>
<b>Current liabilities</b>			
Senior Notes	118	-	118
Liabilities to credit institutions	291	314	258
Accounts payable	271	263	389
Other current liabilities	152	138	113
Accrued expenses and deferred revenue	686	625	756
<b>Total current liabilities</b>	<b>1,518</b>	<b>1,340</b>	<b>1,634</b>
<b>Total liabilities</b>	<b>4,670</b>	<b>4,374</b>	<b>4,721</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,844</b>	<b>4,517</b>	<b>4,858</b>

## Consolidated statement of changes in equity

SEK millions, unless otherwise stated	Share capital	Other contributed capital	Translation differences	Losses carried forward	Total equity
<b>Opening equity per March 1, 2009</b>	<b>25</b>	<b>2,179</b>	<b>73</b>	<b>-2,394</b>	<b>-117</b>
Dividend, preference shares	-	-	-	-129	-129
Redemption of preference shares	-5	-505	-	-	-510
New issue	202	607	-	-	809
New issue expenses	-	-8	-	-	-8
Comprehensive income	-	-	-37	135	98
<b>Closing equity per August 31, 2009</b>	<b>222</b>	<b>2,273</b>	<b>36</b>	<b>-2,388</b>	<b>143</b>
<b>Opening equity per March 1, 2010</b>	<b>224</b>	<b>2,271</b>	<b>44</b>	<b>-2,402</b>	<b>137</b>
Comprehensive income	-	-	-9	46	37
<b>Closing equity per August 31, 2010</b>	<b>224</b>	<b>2,271</b>	<b>35</b>	<b>-2,356</b>	<b>174</b>

There are no minority interests.

## Consolidated cash flow statement

SEK millions, unless otherwise stated	Quarter		Period		Pr. full year
	Jun–Aug 10	Jun–Aug 09	Mar–Aug 10	Mar–Aug 09	Mar 09–Feb 10
<b>Cash flow from operations</b>					
Earnings after financial items	45	59	46	135	121
<i>Adjustments for items not included in cash flow</i>	133	67	272	122	368
<b>Cash flow from operations before changes in working capital</b>	<b>178</b>	<b>126</b>	<b>318</b>	<b>257</b>	<b>489</b>
<b>Cash flow from changes in working capital</b>					
Changes in inventories	-4	-1	-8	-	-1
Change in operating receivables	-51	88	60	177	36
Change in operating liabilities	-47	-92	-149	-156	85
<b>Total change in working capital</b>	<b>-102</b>	<b>-5</b>	<b>-97</b>	<b>21</b>	<b>120</b>
Received interest income	2	2	4	5	11
Tax paid	-1	-	-1	-	-
<b>Cash flow from operations</b>	<b>77</b>	<b>123</b>	<b>224</b>	<b>283</b>	<b>620</b>
<b>Cash flow from investing activities</b>					
Change in funds in escrow	-11	-22	-6	-16	-6
Investments in land, vehicles, equipment tools fixtures and fittings, excl. financial leases	-22	-47	-41	-	-135
Sales of buildings and land, vehicles, equipment tools fixtures and fittings	3	3	5	10	26
<b>Cash flow from investing activities</b>	<b>-30</b>	<b>-66</b>	<b>-42</b>	<b>-68</b>	<b>-115</b>
<b>Cash flow from financing activities</b>					
Redemption of preference shares	-	-510	-	-510	-510
Redemption of warrants	-	-	-	-	-9
New issue	-	809	-	809	818
New issue expenses	-	-8	-	-8	-8
Repayment of principal, financial leasing liabilities	-70	-50	-135	-92	-217
Repayment of principal, loans	-115	-193	-115	-193	-124
Redemption of loans	-	-	-	-	-1,488
Raising of loans	-	-	-	-	1,323
Paid interest	-73	-85	-98	-106	-228
Dividend	-	-129	-	-129	-129
<b>Cash flow from financing activities</b>	<b>-258</b>	<b>-166</b>	<b>-348</b>	<b>-229</b>	<b>-572</b>
<b>Cash flow for the period</b>	<b>-211</b>	<b>-109</b>	<b>-166</b>	<b>-14</b>	<b>-67</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>375</b>	<b>502</b>	<b>331</b>	<b>417</b>	<b>417</b>
Cash flow for the period	-211	-109	-166	-14	-67
Translation difference	-4	-7	-5	-17	-19
<b>Cash and cash equivalents at end of period</b>	<b>160</b>	<b>386</b>	<b>160</b>	<b>386</b>	<b>331</b>

## Parent company's income statement in brief

SEK millions, unless otherwise stated	Quarter		Period		Pr. full year
	Jun-Aug 10	Jun-Aug 09	Mar-Aug 10	Mar-Aug 09	Mar 09-Feb 10
Net sales	35	8	61	17	35
<b>OPERATING EXPENSES</b>					
Other external expenses	-17	-2	-28	-7	-15
Personnel expenses	-12	-5	-24	-10	-29
<b>OPERATING PROFIT</b>	<b>6</b>	<b>1</b>	<b>9</b>	<b>0</b>	<b>-9</b>
Financial income	10	2	19	4	8
Financial expenses	2	-2	-1	-4	-7
<b>EARNINGS AFTER FINANCIAL ITEMS</b>	<b>18</b>	<b>0</b>	<b>27</b>	<b>0</b>	<b>-8</b>
Tax	-	-	-	-	14
<b>NET EARNINGS FOR THE PERIOD</b>	<b>18</b>	<b>1</b>	<b>27</b>	<b>0</b>	<b>6</b>

## Parent company's balance sheet in brief

SEK millions, unless otherwise stated	Period		Pr. full year
	Aug 31, 2010	Aug 31, 2009	Feb 28, 2010
<b>ASSETS</b>			
<b>Fixed assets</b>			
Participations in Group companies	1,772	1,772	1,772
Receivables from Group companies	293	125	290
<b>Total financial fixed assets</b>	<b>2,065</b>	<b>1,897</b>	<b>2,062</b>
<b>Current assets</b>			
Receivables from Group companies	143	232	71
Other current receivables	-	-	3
Prepaid expenses and accrued revenue	40	2	17
Funds in escrow	33	37	33
Cash and cash equivalents	3	19	66
<b>Total current assets</b>	<b>219</b>	<b>290</b>	<b>190</b>
<b>TOTAL ASSETS</b>	<b>2,284</b>	<b>2,187</b>	<b>2,252</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>2,245</b>	<b>2,172</b>	<b>2,218</b>
<b>Long-term liabilities</b>			
Pension provisions	1	1	1
Other provisions	-	-	1
<b>Total long-term liabilities</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Current liabilities</b>			
Accounts payable	8	5	24
Liabilities to Group companies	15	-	1
Other current liabilities	4	2	-
Accrued expenses and deferred revenue	11	7	7
<b>Total current liabilities</b>	<b>38</b>	<b>14</b>	<b>32</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,284</b>	<b>2,187</b>	<b>2,252</b>

## Parent company's change in equity

SEK millions, unless otherwise stated	Share capital	Statu-tory reserve	Share premium reserve	Retained earnings	Earnings for the period	Total equity
<b>Opening equity per March 1, 2009</b>	25	1,322	507	132	24	2,010
Reversal of previous year's earnings	-	-	-	24	-24	-
Dividend, preference shares	-	-	-	-129	-	-129
Redemption of preference shares	-5	-	-505	-	-	-510
New issue	202	-	607	-	-	809
Issue expenses	-	-	-8	-	-	-8
Reduction in statutory reserve	-	-1,322	-	1,322	-	-
Earnings for the period	-	-	-	-	0	-
<b>Closing equity per August 31, 2009</b>	<b>222</b>	<b>-</b>	<b>601</b>	<b>1,349</b>	<b>0</b>	<b>2,172</b>
<b>Opening equity per March 1, 2010</b>	<b>224</b>	<b>-</b>	<b>612</b>	<b>1,376</b>	<b>6</b>	<b>2,218</b>
Reversal of previous year's earnings	-	-	-	6	-6	-
Earnings for the period	-	-	-	-	27	27
<b>Closing equity per August 31, 2010</b>	<b>224</b>	<b>-</b>	<b>612</b>	<b>1,382</b>	<b>27</b>	<b>2,245</b>

## Note 1. Segment reporting

SEK millions, unless otherwise stated	Quarter		Period		Pr. full year
	Jun-Aug 10	Jun-Aug 09	Mar-Aug 09	Mar-Aug 09	Mar 09-Feb 10
<b>Revenues per business area</b>					
<i>Nobina Sweden</i>	1,011	962	2,159	2,025	4,228
<i>Nobina Denmark</i>	82	49	161	91	196
<i>Nobina Norway</i>	199	151	406	312	739
<i>Nobina Finland</i>	177	183	375	394	801
<b>Total regional traffic</b>	<b>1,469</b>	<b>1,345</b>	<b>3,101</b>	<b>2,822</b>	<b>5,964</b>
<i>Swebus</i>	128	129	241	221	412
<b>Total interregional traffic</b>	<b>128</b>	<b>129</b>	<b>241</b>	<b>221</b>	<b>412</b>
<i>Elimination of sales between segments</i>	-15	-20	-31	-34	-68
<b>Total revenues</b>	<b>1,582</b>	<b>1,454</b>	<b>3,311</b>	<b>3,009</b>	<b>6,308</b>

SEK millions, unless otherwise stated	Quarter		Period		Pr. full year
	Jun-Aug 10	Jun-Aug 09	Mar-Aug 10	Mar-Aug 09	Mar 09- Feb 10
<b>Operating profit per business area</b>					
<i>Nobina Sweden</i>	55	39	105	93	205
<i>Nobina Denmark</i>	-8	-5	-20	-11	-30
<i>Nobina Norway</i>	16	4	23	11	21
<i>Nobina Finland</i>	2	-2	3	4	7
<b>Total regional traffic</b>	<b>65</b>	<b>36</b>	<b>111</b>	<b>97</b>	<b>203</b>
<i>Swebus</i>	27	26	38	29	42
<b>Total interregional traffic</b>	<b>27</b>	<b>26</b>	<b>38</b>	<b>29</b>	<b>42</b>
<i>Head office items and other items</i>	-2	-4	-11	-15	-53
<b>Total operating profit</b>	<b>90</b>	<b>58</b>	<b>138</b>	<b>111</b>	<b>192</b>

## Note 2. Financing

SEK millions, unless otherwise stated	Quarter		Period		Pr. full year
	Jun–Aug 10	June–Aug 09	Mar–Aug 09	Mar–Aug 09	Mar 09–Feb 10
<b>Operational leasing, buses</b>					
Nominal value of future payments - Buses	-	-	1,077	1,161	1,177
Present value of future payments - Buses	-	-	572	759	599
Number of operationally leased buses	-	-	1,522	1,543	1,529
Reported operational leasing expense	74	72	143	145	266
<b>Interest-bearing long-term liabilities</b>					
Senior Notes	870	1,145	870	1,145	1,002
Financial leasing liability	2,590	2,099	2,590	2,099	2,354
Capitalized financing fees	-18	-25	-18	-25	-25
<b>Total</b>	<b>3,442</b>	<b>3,219</b>	<b>3,442</b>	<b>3,219</b>	<b>3,331</b>
Less current part	-409	-314	-409	-314	-376
<b>Total long-term liabilities</b>	<b>3,033</b>	<b>2,905</b>	<b>3,033</b>	<b>2,905</b>	<b>2,955</b>
<b>Interest expenses and similar profit/loss items</b>					
Interest expenses, financial leasing	-23	-11	-42	-28	-72
Interest expenses, Senior Notes	-12	-35	-47	-69	-164
Other financial expenses	-27	-9	-32	-11	-13
Realized and non-realized exchange rate profits	14	54	24	127	168
<b>Total</b>	<b>-48</b>	<b>-1</b>	<b>-97</b>	<b>19</b>	<b>-81</b>

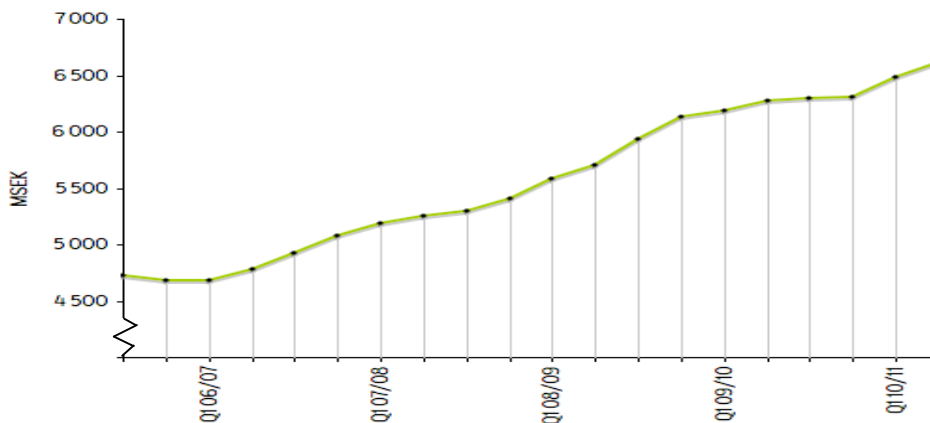
Earnings per share	Quarter		Period		Pr. full year
	Jun–Aug 10	June–Aug 09	Mar–Aug 09	Mar–Aug 09	Mar 09–Feb 10
Average number of ordinary shares during the period	24,928	15,868	24,928	9,110	8,727
Reported earnings	45	59	46	135	121
Dividend on preference shares	-	-35	-	-35	-34
Adjusted earnings	45	24	46	100	87
<b>Earnings per share</b>	<b>1.81</b>	<b>1.51</b>	<b>1.85</b>	<b>10.97</b>	<b>9.96</b>

## Key ratio information

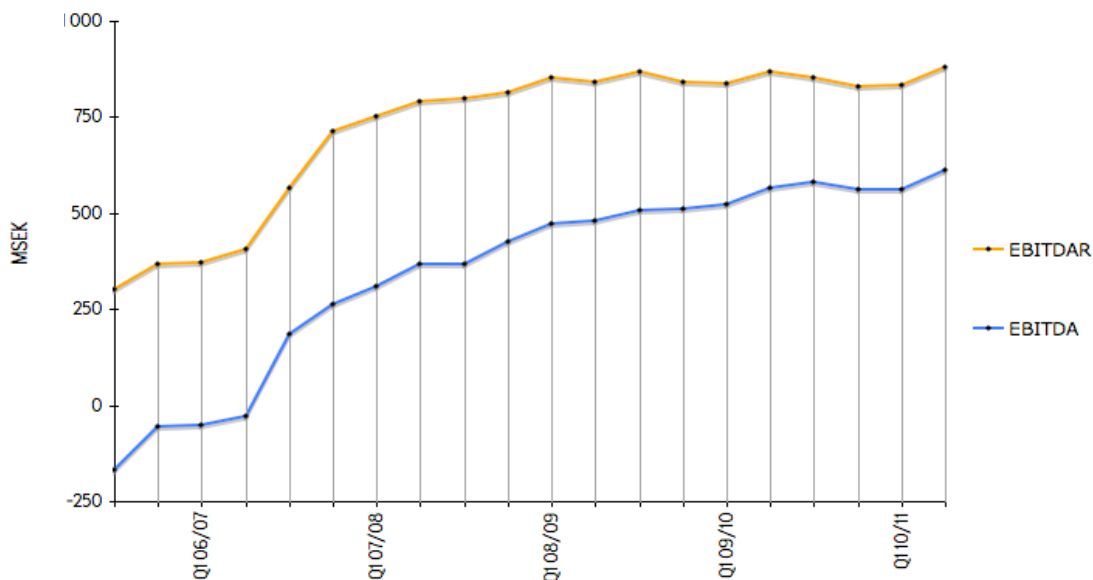
### Key ratios, most recent eight quarters

Key ratios, the Group in SEK millions, unless otherwise stated	2008/2009		2009/2010				2010/2011	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Sales								
<i>regional traffic</i>	1,574	1,561	1,477	1,345	1,558	1,554	1,632	1,469
<i>interregional traffic</i>	83	79	92	129	93	98	113	128
Operating profit								
<i>regional traffic</i>	101	46	61	36	108	-2	46	65
<i>interregional traffic</i>	4	1	3	26	8	5	11	27
Earnings after financial items	-76	-142	76	59	10	-24	1	32
Earnings after tax	-77	-147	76	59	10	-24	1	32
Cash flow	47	-28	95	-109	73	-126	45	-211
Cash and cash equivalents	429	417	502	386	464	331	375	160
Equity ratio, %	0.5	-2.7	-1.7	2.9	3.3	2.8	2.7	3,5
Equity	23	-117	-72	143	167	137	139	174
Equity/ordinary share, SEK	1.15	-52.60	-3.59	1.74	2.11	15.69	5.57	6,98
Number of buses	3,513	3,505	3,333	3,543	3,582	3,553	3,584	3,627
Estimated full-time positions	6,304	7,606	6,384	6,201	6,828	7,318	7,499	6,506

### Revenues, rolling twelve months, five years

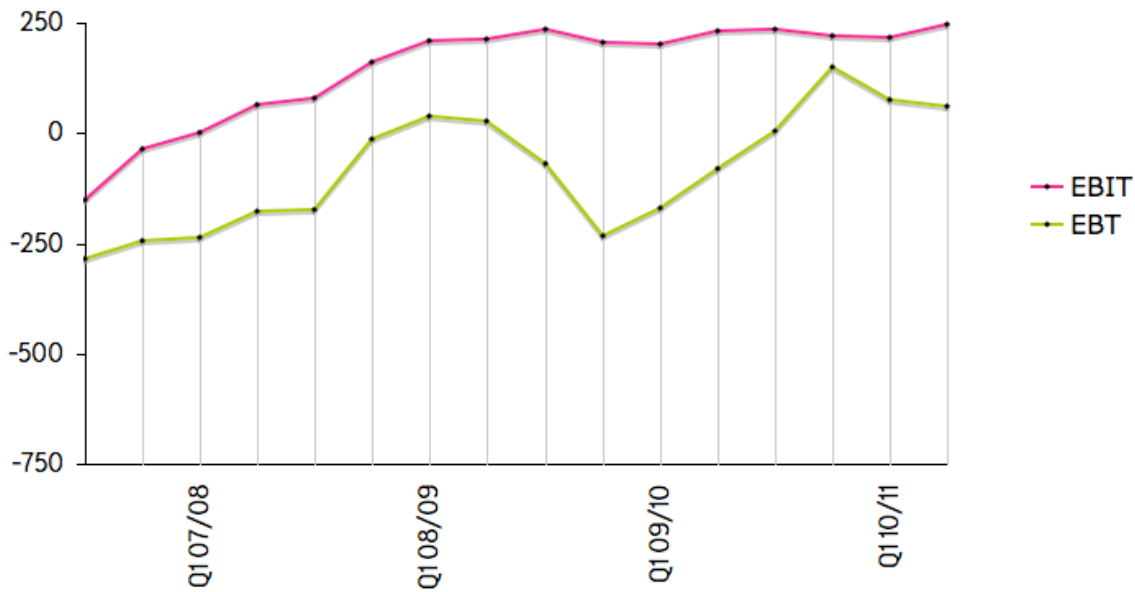


### Operating profit, rolling 12 months, five years

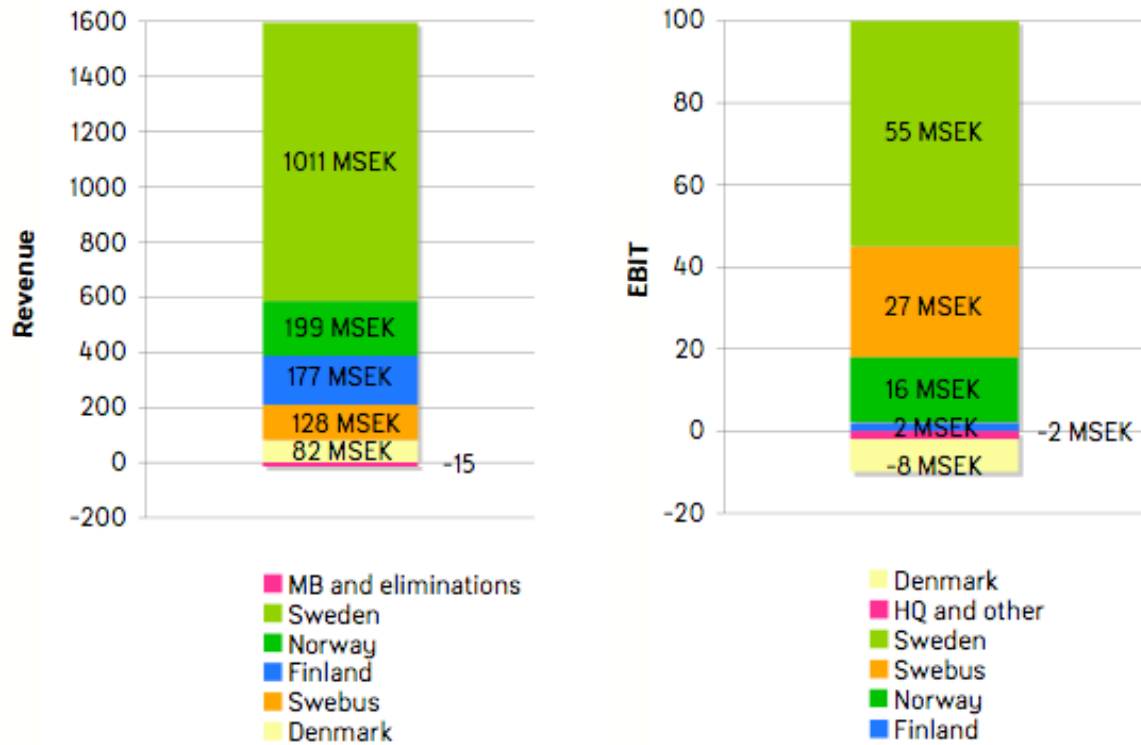




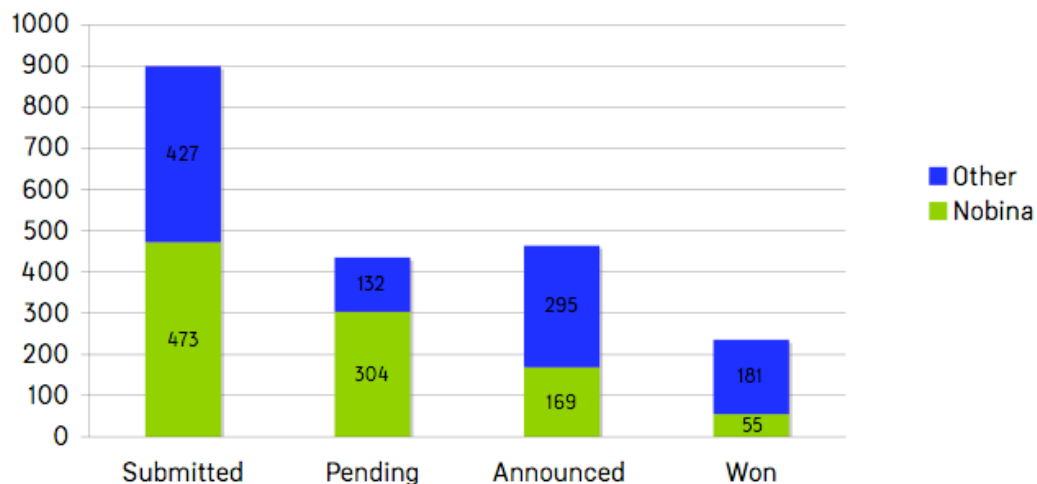
Profit, rolling 12 months, four years



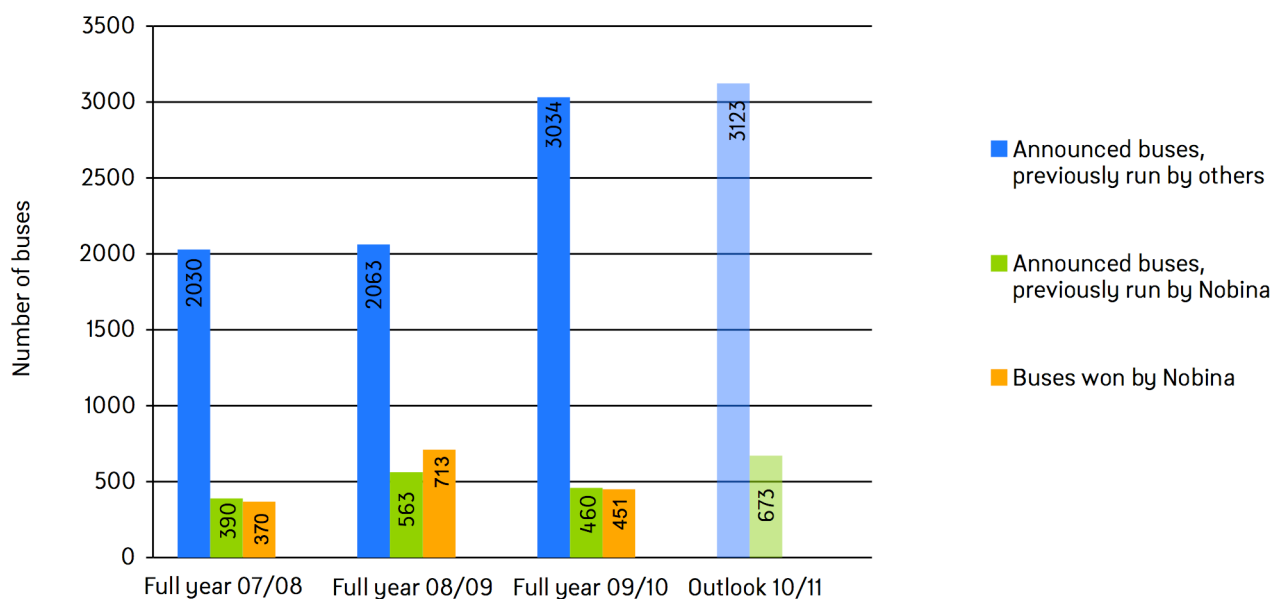
Breakdown of revenues and earnings by segment



## Tender results



## Contract overview



## Planned, newly started traffic, coming 12 months

Tender outcome per country, coming 12 months	Planned, newly started traffic, Sep 10- Aug 11					
	PTA	Contract type	Number of years	Traffic start	Number of buses	Value (SEK millions)
Sweden	VLT Västerbotten	Regional traffic	1	January, 2011	27	3
	Skånetrafiken	City traffic	8 (2)	March, 2011	89	1 752
	Västtrafik	Regional traffic	8 (2)	June, 2011	6	140
	Västtrafik	Express	8 (2)	June, 2011	23	490
	Östgötatrafiken	Regional traffic	5	June, 2011	27	346
Finland	HSL	City traffic	5 (1+1+1)	January, 2011	36	404
	HSL	City traffic	5 (1+1+1)	January, 2011	16	163
	HSL	City traffic	1	August, 2011	6	10
<b>Total regional traffic</b>					<b>230</b>	<b>3,308</b>

## Definitions

### **GROSS AGREEMENT**

Traffic contract in which the client compensates the operator only for the number of kilometers or hours driven. Ticket revenues inure to the client.

### **EURO 1–EURO 5, EEV**

Different generations of emission classes for diesel motors.

### **EXPRESS BUS**

Fixed line long distance road traffic which crosses at least one county boundary. Affected PTAs have a right of objection in conjunction with the granting of permits. An independent operator's revenues derive exclusively from the passengers.

### **INCENTIVE AGREEMENT**

Traffic contract in which the client compensates the operator with partially variable compensation. Based on mutual trust and is aimed at achieving an improved result through improved quality and efficiency. Compensation to the operator increases if the number of passengers increases.

### **INDEXATION**

Recalculation of compensation for a new period of fixed compensation per kilometer or hour in a traffic contract. Covers fixed compensation per kilometer or hour and takes place based on co-weighted indices for inflation within cost categories that are material for the operations.

### **CONCESSION**

Traffic contract granted to a certain operator by an authority/PTA without public procurement. Cannot take place since deregulation of the public transport market.

### **CUSTOMERS**

Passengers, i.e. persons who use our services irrespective of whether they pay for the service personally or via a PTA.

### **NET AGREEMENT**

Traffic contract in which the client compensates the operator primarily through ticket revenues.

### **TRAFFIC CONTRACT (CONTRACT, CONTRACTING)**

An undertaking to provide a certain service at a price agreed upon in advance between the client and contractor. At Nobina, an agreement with a PTA, normally to provide public transport during 5-8 years in exchange for a fixed price with agreed indexing terms.

### **CLIENT**

An organization which, on behalf of a public authority, is responsible for organizing procurement of public transport in a certain area, normally a county. Awards traffic contracts following evaluation of submitted tenders.