

# NOBINA AB – INTERIM REPORT MAR 1 – NOV 30, 2012

## THIRD QUARTER (SEPTEMBER 1, 2012 – NOVEMBER 30, 2012)

- Sales amounted to SEK 1,875 million (1,750), an increase of 7% or SEK 125 million.
- Operating profit of SEK 81 million (60), an increase of SEK 21 million.
- Earnings after tax of SEK 72 million (-12). Earnings per share of SEK 0.48 (-0.46).
- Cash flow from the operations was SEK 290 million (247). Cash flow after net investments and financing activities amounted to SEK 20 million (36).
- The Group's investments, primarily for the purchase of buses, amounted to SEK 464 million (117), of which investments of SEK 435 million (79) were financed through leasing agreements and SEK 29 million (38) were financed in cash.

## NINE MONTHS (MARCH 1, 2012 – NOVEMBER 30, 2012)

- Sales amounted to SEK 5,419 million (5,303), an increase of 2% or SEK 116 million.
- Operating profit of SEK 229 million (187), an increase of SEK 42 million.
- Earnings after tax were SEK 114 million (-42). Earnings per share of SEK 1.34 (-1.67).
- Cash flow from the operations was SEK 696 million (472). Cash flow from net investments and financing activities amounted to SEK 65 million (-70).
- The Group's investments, primarily for the purchase of buses, amounted to SEK 1,198 million (416), of which investments of SEK 1,102 million (339) were financed through leasing agreements and SEK 96 million (77) were financed in cash.

## SIGNIFICANT EVENTS DURING THE QUARTER

- Nobina refinanced its Senior Notes loan of EUR 85 million. The refinancing solution entailed a reduction of the debts by approximately SEK 180 million through conversion to shares in Nobina AB. This provided the Nobina Group with a clearly improved capital structure and greater financial strength. The remainder of the Senior Notes loan, worth approximately SEK 550 million, was issued as new five-year notes denominated in SEK, which will be listed on Nasdaq OMX.
- As a consequence of the refinancing, Nobina has decided to report deferred tax assets of SEK 73 million net, which increased earnings and equity for the period by SEK 73 million.
- Following completion of the refinancing, the rating agencies Standard & Poor's and Moody's upgraded their long-term credit ratings for Nobina to B and Caa1 respectively.
- A unique cooperation has been agreed upon between the City of Malmö, Nobina Sweden and Skånetrafiken. It heralds the start of an entirely new bus concept in Sweden, a so-called Bus Rapid Transit solution (BRT), which is expected to result in faster, more efficient, and more environmentally friendly public transport. Nobina will invest approximately SEK 100 million in 15 so-called super buses which will be placed into traffic in Malmö in June 2014.
- In November, Nobina joined the newly established MOM (*medarbetarombudet*, employee whistleblower channel) in order to strengthen employee whistleblowing rights in Sweden.
- Philipp Engedal became the new CEO of Nobina Norway in September.

## SIGNIFICANT EVENTS SINCE THE END OF THE QUARTER

- Nobina is listing its corporate bond on NASDAQ OMX on 21 December.

## CEO's comments

*Nobina's third quarter demonstrates continued stable development and improved earnings, once again primarily thanks to increased stability in the Swedish and Finnish operations. During the quarter, we implemented traffic start-ups according to plan in all Nordic countries. I would like to mention the start of traffic under the Oslo Vest contract, which marks an important return for Nobina. At the same time, work is continuing on increasing efficiency in the operations in Norway. In Finland, during the second quarter we won contracts for a total of 56 buses. During the quarter, we launched the Medarbetarombud employee whistleblowing channel which will enhance the possibilities for our employees to draw attention to irregularities in the operations. With the refinancing of the Group's Senior Notes now in place, Nobina's financial position and conditions for sound long-term growth are strengthened.*

*Ragnar Norbäck, CEO*

## Key ratios

The Group (SEK millions, unless otherwise stated)	Quarter		Period		Full Year	Rolling 12 m*
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Mar 11-Feb 12	Dec 11–Nov 12
Sales	1,875	1,750	5,419	5,303	7,050	7,166
Operating profit	81	60	229	187	37	79
Earnings after finance net	0	-12	43	-42	-230	-145
Earnings after tax	72	-12	114	-42	-230	-74
Cash flow	20	36	65	-70	-120	15
Cash and cash equivalents	171	159	171	159	107	-
Equity ratio, %	-	-	4.1	2.9	Neg	-
Shareholders' equity	-	-	254	145	-43	-
Number of buses	3,608	3,339	3,608	3,339	3,437	-
Estimated full time positions	6,563	6,731	6,563	6,731	7,008	-

## The market

Nobina is working to address the changes affecting the Company and other players on the market in connection with the new Public Transport Deregulation Act, which entered into force in January 2012. The industry structure is being reviewed both organizationally and politically, which will change the way in which decisions are taken. Nobina is actively participating in various industry initiatives, within both regional and interregional traffic, and has high hopes of strengthening its position as a consequence of the new legislation. Among other things, Nobina is actively participating in the joint industry work on drafting improved and more balanced industry agreements between clients and traffic companies in Sweden. After several years of work, the agreed recommendations have now been circulated for comment up and down the country.

The EU is currently handling a number of matters regarding unlawful state aid to loss-making municipal public transport companies in Norway and Finland. This may be seen in light of the fact that all of Nobina's four international competitors reported increased losses in their Swedish operations in 2011. In the case of the Finnish transport company HELB, it is Nobina which has turned to the EU. In February 2012, the Finnish government responded to a letter from the EU Commission and Nobina answered an additional letter in the matter in July, which has led to a public debate on whether the Finnish government should acquire HELB.

## Development of the business during the first nine months

### THE GROUP

The Group's sales for the first nine months of 2012/2013 amounted to SEK 5,419 million (5,303), an increase of 2% or SEK 116 million compared with the corresponding period of last year. Of this amount, SEK 464 million related to a net reduction from new and ended contracts. The remainder relates to positive effects from indexation (SEK 28 million) and positive price and volume growth (SEK 592 million).

Operating profit for the first nine months increased to SEK 229 million (187), of which SEK 60 million was attributable to increased efficiency, especially in the Swedish and Finnish operations. Earnings from regional traffic increased by SEK 36 million during the same period, while interregional traffic demonstrated an increase in earnings of SEK 2 million.

Explanation items for revenue and earnings growth (SEK millions)	Revenues and earnings	
	Revenues	EBIT
<b>Period March 2011 – November 2011</b>	<b>5,302</b>	<b>187</b>
Price and volume	592	18
Contract changes	-464	-60
Indexation	28	31
Business efficiency	-	60
One-off costs	-	2
Fleet finance and use	-	15
Other	-40	-18
<b>Period March 2012 – November 2012</b>	<b>5,419</b>	<b>229</b>

- 'Price and volume' growth represents changes in performed traffic volumes as well as changes in prices for performed traffic and their effect on sales and earnings.
- 'Contract changes' shows the effect on sales and earnings of changes in the contract portfolio in the form of terminated old contracts and startup of new contracts.

- 'Indexation' shows the effect of price adjustments on sales and earnings, as regards compensation for underlying cost inflation in the operation of traffic within the scope of awarded traffic contracts.
- 'Business efficiency' shows the effect on earnings of efficiency developments concerning personnel costs, maintenance, damage, etc.
- 'Fleet finance and use' shows the effect on earnings of changes in financing terms and efficiency in the use of vehicles.
- In addition, the effects on current sales and earnings of certain specific and other factors are shown.

#### REGIONAL TRAFFIC BUSINESS AREA

During the first nine months of 2012/2013, Nobina submitted tenders for 471 buses with a total contract value of SEK 6,554 million, and won contracts for 130 buses with a contract value of SEK 1,669 million. The larger procurements concluded during the third quarter included Keoli's win in Gothenburg and HELB's win in Helsinki. In August, Nobina implemented a major traffic start involving more than 100 buses in Helsinki.

The Swedish operations delivered a strong result during the period. Following significant contract migration, the operations demonstrate continued stable growth in earnings with an increasing number of well-performing contracts. During the third quarter, pension repayments of SEK 25 million were finally settled and included in the results for the second quarter. Incentive compensation schemes have developed positively during the third quarter and contributed to the strong growth in earnings.

The Norwegian operations have improved regarding the older contracts, but high start-up costs were incurred with the new Tromsø contract. The start of the Oslo Vest contract has proceeded according to plan. Focus continues to be placed on operational and financial improvements in the existing Norwegian contracts, particularly the contract in Tromsø. Philipp Engedal took up the position as new CEO of the Norwegian operations in September.

The Finnish operations have developed well and are performing considerably better than last year. Indexation in the new contracts involves considerably improved tracking of the actual cost inflation in the operations. Only a small number of contracts are demonstrating negative results.

The Danish operations demonstrated improved earnings for the first half of the year thanks to strong focus on quality and efficiency improvement work, as well as focus on management issues. Nobina's own workshop in Copenhagen, which was opened in September, has immediately resulted in lower maintenance costs.

Tender situation per country, YTD	Tenders during the period			Traffic during the period	
	Submitted	Won	Lost	Commenced	Completed
Sweden	167	88	79	97	87
Norway	0	0	0	78	111
Finland	187	42	145	128	107
Denmark	117	0	117	11	4
<b>Total regional traffic</b>	<b>471</b>	<b>130</b>	<b>341</b>	<b>314</b>	<b>309</b>

#### INTERREGIONAL TRAFFIC BUSINESS AREA

Interregional traffic encountered significant challenges in the declining market of last year. The focus on a more flexible production and cost structure through partnership cooperation projects and more efficient timetables has resulted in improvements in earnings. Swebus enjoyed a degree of volume growth combined with strong ticket yield, which increased in significance due to shorter journeys and price pressure. The measures commenced for further increasing flexibility, broadening the offering to include, among other things, supplemental products, and attracting more passengers, will continue going forward.

Airport shuttle traffic continues to develop positively and Swebus continued to gain market share during the period.

Trend interregional traffic (Swebus)	Quarter		Period		Full year	Rolling 12 m
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Mar 11-Feb 12	Dec 11-Nov 12
Number of passengers	453,915	523,158	1,546,092	1,637,019	2,109,023	2,021,817
Number of driven km	3,767,987	4,256,720	12,775,667	13,732,961	17,829,919	16,789,949
Load factor, %	42.2	47	45	48	48	44.5
Average revenues/km (SEK)	21.0	21.4	21.8	20.9	21.4	21.3
Average revenues/passenger (SEK)	174	181	180	184	182	177

## Sales

### THIRD QUARTER (SEPTEMBER 1 – NOVEMBER 30, 2012)

The Group's sales during the third quarter increased to SEK 1,875 million (1,750), an increase of 7% compared with the corresponding quarter of last year.

Sales within the regional traffic business area increased during the third quarter by SEK 129 million compared with the corresponding period of last year, to SEK 1,796 million (1,667).

Third quarter sales within the interregional traffic business area were SEK 79 million, a decrease by SEK 4 million during the quarter compared with the corresponding period of last year.

### NINE MONTHS (MARCH 1– NOVEMBER 30, 2012)

The Group's sales during the first nine months increased to SEK 5,419 million (5,303), an increase of 2% compared with the corresponding period of last year.

Sales within the *regional traffic* business area exceeded those for the first nine months of last year, SEK 5,141 million (5,012).

Sales within the *interregional traffic* business area during the first nine months were SEK 278 million (SEK 291 million), which was somewhat lower than last year.

Revenues (SEK millions)	Quarter		Period		Full year	Rolling 12 m
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Mar 11-Feb 12	Dec 11–Nov 12
<b>Revenues per segment</b>						
<i>Nobina Sweden</i>	1,253	1,211	3,625	3,685	4,905	4,845
<i>Nobina Denmark</i>	87	82	254	239	325	340
<i>Nobina Norway</i>	249	189	689	540	718	867
<i>Nobina Finland</i>	214	195	598	584	775	789
Elimination of sales to Interregional traffic	-7	-10	-25	-36	-43	-32
<b>Total regional traffic</b>	<b>1,796</b>	<b>1,667</b>	<b>5,141</b>	<b>5,012</b>	<b>6,680</b>	<b>6,809</b>
	79	83	278	291	370	357
Elimination of sales to regional traffic	-	-	-	-	-	-
<b>Total interregional traffic</b>	<b>79</b>	<b>83</b>	<b>278</b>	<b>291</b>	<b>370</b>	<b>357</b>
<b>Total revenues</b>	<b>1,875</b>	<b>1,750</b>	<b>5,419</b>	<b>5,303</b>	<b>7,050</b>	<b>7,166</b>

## Earnings

### THIRD QUARTER (SEPTEMBER 1 – NOVEMBER 30, 2012)

The Group's operating profit for the third quarter was SEK 81 million (60), of which SEK 101 million (83) relates to *regional traffic* and SEK -4 million (-6) to *interregional traffic*.

Operating profit for *regional traffic* increased by SEK 18 million, primarily thanks to strong growth in the Swedish and Finnish operations and lower losses in the Danish operations, which more than offset the negative trend in Norway attributable to the start-up in Tromsø.

The improvement of SEK 2 million in operating income within *interregional traffic* was due primarily to more efficient production and ticket yield.

### NINE MONTHS (MARCH 1– NOVEMBER 30, 2012)

The Group's operating profit for the first nine months was SEK 229 million (187), of which SEK 252 million (216) related to *regional traffic* and SEK 9 million (7) to *interregional traffic*.

The operating profit for *regional traffic* increased by SEK 36 million. The improved earnings are primarily due to improved contract results in Sweden and Finland, which more than offset the negative trend in Norway attributable to the start-up in Tromsø.

Operating profit for *interregional traffic* improved somewhat compared with last year.

Operating profit (SEK millions)	Quarter		Period		Full year	Rolling 12 m
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Mar 11-Feb 12	Dec 11–Nov 12
<b>Operating profit per</b>						
<i>Nobina Sweden</i>	94	79	260	218	295	337
<i>Nobina Denmark</i>	-6	-8	-17	-25	-33	-25
<i>Nobina Norway</i>	1	2	-12	7	-128	-147
<i>Nobina Finland</i>	12	10	21	16	12	17
<b>Total regional traffic</b>	<b>101</b>	<b>83</b>	<b>252</b>	<b>216</b>	<b>146</b>	<b>182</b>
<i>Swibus</i>	-4	-6	9	7	-4	-2
<b>Total interregional traffic</b>	<b>-4</b>	<b>-6</b>	<b>9</b>	<b>7</b>	<b>-4</b>	<b>-2</b>
<i>Central functions and other items</i>	-16	-17	-32	-36	-105	-101
<b>Total operating profit</b>	<b>81</b>	<b>60</b>	<b>229</b>	<b>187</b>	<b>37</b>	<b>79</b>

Operating profit (SEK millions)	Group					
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Full year 11/12	Rolling 12 m*
Net sales	1,875	1,750	5,419	5,303	7,050	7,166
Operating profit	81	60	229	187	37	79

Operating profit (SEK millions)	Regional traffic					
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Full year 11/12	Rolling 12 m*
Net sales	1,796	1,667	5,141	5,012	6,680	6,826
Operating profit	101	83	252	216	146	182

Operating profit (SEK millions)	Interregional traffic					
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Full year 11/12	Rolling 12 m*
Net sales	79	83	278	291	370	357
Operating profit	-4	-6	9	7	-4	-2

\*Rolling 12 refers to rolling 12 months December 2011 – November 2012

## One-off costs

No significant one-off costs were incurred during the third quarter. During the first nine months of last year, one-off costs of SEK 2 million were incurred due to the extraordinary winter conditions in Finland.

## Financial position

Available cash and cash equivalents at the end of the period amounted to SEK 171 million (159). In addition, the Group had funds in escrow of SEK 164 million (155), primarily as security for submitted tenders and executed traffic contracts. The Group has an SEK 300 million invoice discounting facility with a finance company, of which SEK 45 million was utilized as per November 30, 2012. A new bank credit facility of SEK 50 million has been established, with the first drawdown being on June 1, 2012, of which SEK 33 million was drawn as per November 30, 2012.

The shareholders' equity in the Group amounted to SEK 254 million (145). The equity ratio at the end of the period was 4.1%, compared with 2.9% last year.

On October 31, Nobina refinanced its Senior Notes loan of EUR 85 million. The refinancing solution entails a reduction in debts of approximately SEK 180 million through conversion to shares in Nobina AB. This provides the Nobina Group with an improved capital structure and greater financial strength. The remainder of the Senior Notes loan, worth approximately SEK 550 million, was issued as new five-year notes denominated in SEK, which is intended to be listed on NASDAQ OMX on December 21. The bond has an annual coupon of 11% and is redeemable at face value throughout the term to maturity.

## Investments

The Group's cash investments during the first nine months relate to the purchase of other non-current assets and the purchase of buses including accessories in the amount of SEK 96 million (77). Through its subsidiary, Nobina Fleet AB, the Group signed financial leasing agreements during the first nine months amounting to SEK 1,102 million (339) in acquisition value. The Group's financial leasing agreements have been classified in the balance sheet as non-current assets and the leasing obligations are reported as a liability in the balance sheet. Depreciation/amortization and interest expenses are reported in the income statement.

During the first nine months of the year, the Group sold buses and other fixed assets for SEK 21 million (108). The sale entailed a capital loss of SEK 5 million (5).

### Cash flow

Third quarter cash flow from operations amounted to SEK 290 million (247) before net investments, and SEK 20 million (36) after net investments.

Cash flow from the operations for the first nine months amounted to SEK 696 million (472) before net investments and SEK 65 (-70) after net investments.

### Taxes

When assessing the value of previously accumulated loss carry-forwards (see Note 11 in the Annual Report 2011/2012), Group management has now decided to report a part of the Group's current loss carry-forwards. The assessment is now that the risks which previously affected the valuation in the form of exchange rate fluctuations on the Group's Senior Notes and the Group's financial position have been reduced due to the refinancing of the Senior Notes in Swedish kronor. The refinancing solution means that debts have been reduced by approximately SEK 180 million through conversion into shares in Nobina AB. This provides the Nobina Group with an improved capital structure and increased financial strength. The remainder of the Senior Notes loan, approximately SEK 550 million, has been issued in the form of a new five-year bond. The bond has an annual coupon of 11% and there is redeemable at face value throughout the term to maturity. Deferred tax has been calculated applying the tax rates which have been decided upon and are expected to apply when the relevant deferred tax receivable or tax debt is settled. The deferred tax receivable relating to deductible temporary differences and non-utilized loss carry-forwards has been reported to the extent it is estimated they might be utilized in the foreseeable future and this is considered to be probable. Current tax and adjustments regarding previous years' tax in the Nobina Group amounted to SEK -2 million (0) and retroactively calculated deferred tax receivables and deferred tax liabilities, which affect earnings for the period, amounted to SEK +73 million (0).

### Personnel

During the period there were on average 6,563 (6,731) 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 during the quarter

- Nobina refinanced its Senior Notes loan of EUR 85 million. The refinancing solution entailed a reduction of the debts by approximately SEK 180 million through conversion to shares in Nobina AB. This provided the Nobina Group with a clearly improved capital structure and greater financial strength. The remainder of the Senior Notes loan, worth approximately SEK 550 million, was issued as new five-year notes denominated in SEK, which will be listed on Nasdaq OMX.
- As a consequence of the refinancing, Nobina has decided to report deferred tax assets of SEK 73 million net, which increased earnings and equity for the period by SEK 73 million.
- Following completion of the refinancing, the rating agencies Standard & Poor's and Moody's upgraded their long-term credit ratings for Nobina to B and Caa1 respectively.
- A unique cooperation has been agreed upon between the City of Malmö, Nobina Sweden and Skånetrafiken. It heralds the start of an entirely new bus concept in Sweden, a so-called Bus Rapid Transit solution (BRT), which is expected to result in faster, more efficient, and more environmentally friendly public transport. Nobina will invest approximately SEK 100 million in 15 so-called super buses which will be placed into traffic in Malmö in June 2014.
- In November, Nobina joined the newly established MOM (*medarbetarombudet*, employee whistleblower channel) in order to strengthen employee whistleblowing rights in Sweden.
- Philipp Engedal became the new CEO of Nobina Norway in September.

### Significant events since the end of the quarter

- Nobina intends to list its corporate bond on NASDAQ OMX on 21 December.

## Parent company

The parent company has 65 (51) employees who are engaged in overall Group management, financial administration, IT, HR and wage functions, control and analysis. The parent company's sales, which consist exclusively of internal invoicing of services, amounted during the period to SEK 118 million (111). The parent company's earnings before tax were SEK 35 million (26) and cash and cash equivalents at the end of the period were SEK 178 million (58), of which SEK 57 million (57) were funds in escrow. Investments in intangible and tangible non-current assets amounted to SEK 21 million (9). The parent company's equity amounted to SEK 2,525 million (2,333). The parent company's equity ratio was 87% (99).

## Transactions with closely related parties

In connection with the refinancing of the Senior Notes in Nobina Europe AB, a non-cash issue was also carried out whereby the debts in Nobina Europe AB were reduced by approximately SEK 180 million through conversion of shares in Nobina AB. The remainder of the Senior Notes loan, approximately SEK 550 million, was issued as a new five-year bond denominated in SEK, which will be listed on Nasdaq OMX on December 21. In conjunction with the refinancing, a private placement of shares amounting to SEK 2 million took place to employees and directors in the Group, who are also shareholders.

## 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 the high timetable production due to 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 17.

## Risks 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. Part of the interest rate risk is compensated by revenue indexation in traffic contracts.

The Nobina Group was previously exposed to exchange rate fluctuations on the Senior Notes. Since, following the refinancing of the Senior Note loan on October 31, 2012, the loan is primarily denominated in Swedish kronor, only a small currency risk remains on the part of the Senior Notes which are still denominated in euro (EUR 3 million). A ten per cent depreciation of the Swedish krona results in a risk of a debt increase of approximately SEK 3 million in conjunction with the existing outstanding loan amount. The Group's finance policy states that currency risks may be hedged through currency derivatives. During the quarter, the Group had no currency hedging.

The Group is exposed to price changes in its purchases of diesel. The commodity price accounts for almost one half of the total diesel price, with the remainder comprising taxes, transportation and processing. Within *Regional traffic*, through revenue indices in traffic contracts the Group obtains compensation for changes in the diesel price accounting for approximately 78% of consumption. There is no indexation of revenues within *Interregional traffic*. Increased fuel prices are, instead, compensated for through increased ticket prices if market conditions so allow. Calculated on the portion of the Group's diesel consumption which is not covered by indexation, a 10 percent increase in the commodity price means an increase of approximately SEK 10 million in the Group's fuel costs per financial year. The Nobina Group's finance policy states that diesel price risks may be hedged through derivatives. On November 30, 2012, the Group had no outstanding diesel derivatives.

For more information regarding risks and uncertainty factors, see the corresponding section in Nobina's annual report 2011/2012.

## Accounting principles

Nobina applies International Financial Reporting Standards (IFRS) as adopted by the EU and applying RFR 1 "Complementary accounting rules for groups". There are no new IFRS standards or IFRIC statements adopted by the EU which will be applicable to Nobina or which will have a significant impact on the Group's earnings or financial position during 2012/13. In other respects, Nobina applies the same accounting principles and

calculation methods as in the annual report for 2011/2012 (see under "Company information and accounting principles"), except where stated below.

When assessing whether valuation should take place of previously accumulated loss carry-forwards (see Note 11 of the Annual Report 2011/2012), Group management has now decided to report a part of the Group's current loss carry-forwards. Group management now considers that the risks which previously affected the valuation in the form of exchange rate fluctuations on the Group's Senior Notes and the Group's financial position have now been reduced as a consequence of the Group's refinancing.

The financial statements of the parent company, Nobina AB, have been prepared in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2, 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).

## Other

Please note that this is an inhouse translation of the Swedish report, which is available on [www.nobina.com](http://www.nobina.com).

## Telephone conference

Nobina will present the interim report and reply to questions during a telephone conference on Friday, December 21, at 10.00 am CET. The presentation will be available on the website in connection with the telephone conference.

Telephone numbers for participants:

Sweden: +46 (0)8 505 20110

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 report for the third quarter 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, December 21, 2012

Ragnar Norbäck  
President and CEO

## Future reports

Results 2012/2013

April 26, 2013

## 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. The operations include contractual regional traffic in Sweden, Norway, Finland and Denmark as well as inter-regional traffic through the subsidiary Swebus. The Nobina Group has revenues in excess of SEK 7 billion, operates 3,500 buses and, with approximately 260 million passenger journeys per year, is one of the larger passenger transport companies in northern Europe. More information is available on [www.nobina.com](http://www.nobina.com)*



## Consolidated income statement in brief

SEK millions, unless otherwise stated	Quarter		Period		Full year
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Mar 11–Feb 12
<b>Net sales</b>	<b>1,875</b>	<b>1,750</b>	<b>5,419</b>	<b>5,303</b>	<b>7,050</b>
<b>OPERATING EXPENSES</b>					
Fuel, tires and other consumables	-440	-428	-1,272	-1,277	-1,724
Other external expenses	-306	-285	-888	-898	-1,262
Personnel expenses	-927	-874	-2,682	-2,641	-3,528
Capital gain/loss on sale of fixed assets	0	-2	-5	-5	-10
Depreciation/write-down of tangible fixed assets	-121	-101	-343	-295	-489
<b>OPERATING PROFIT</b>	<b>81</b>	<b>60</b>	<b>229</b>	<b>187</b>	<b>37</b>
Financial revenues	2	-	3	2	4
Financial expenses, Note 2	-83	-72	-189	-231	-271
<b>FINANCE NET</b>	<b>-81</b>	<b>-72</b>	<b>-186</b>	<b>-229</b>	<b>-267</b>
<b>EARNINGS BEFORE TAX</b>	<b>0</b>	<b>-12</b>	<b>43</b>	<b>-42</b>	<b>-230</b>
Tax	72	-	71	-	-
<b>NET EARNINGS FOR THE PERIOD</b>	<b>72</b>	<b>-12</b>	<b>114</b>	<b>-42</b>	<b>-230</b>
Earnings for the period attributable to the parent company's shareholders	72	-12	114	-42	-230
Earnings per share before dilution (SEK )	0.48	-0.46	1.34	-1.67	-9.23
Earnings per share after dilution (SEK)	0.48	-0.46	1.34	-1.67	-9.23
Average number of shares before dilution (thousands)	151,859	24,928	85,320	24,928	24,928
Average number of shares after dilution (thousands)	151,859	24,928	85,320	24,928	24,928
Number of shares at end of period (thousands)	632,611	24,928	632,611	24,928	24,928

## Consolidated statement of comprehensive income

SEK millions	Quarter		Period		Full year
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Aug 11	Mar 11–Feb 12
<b>Net earnings for the period</b>	<b>72</b>	<b>-12</b>	<b>114</b>	<b>-42</b>	<b>-230</b>
<b>Other comprehensive income</b>					
Exchange rate differences on foreign operators	1	-1	0	9	9
Other comprehensive income for the period, net after tax	1	-1	0	9	9
<b>Total comprehensive income for the period</b>	<b>73</b>	<b>-13</b>	<b>114</b>	<b>-33</b>	<b>-221</b>
<b>Comprehensive income for the period attributable to the parent company's owners</b>	<b>73</b>	<b>-13</b>	<b>114</b>	<b>-33</b>	<b>-221</b>

## Consolidated balance sheet in summary

SEK millions	Period		Full year
	Nov 30, 2012	Nov 30, 2011	Feb 29, 2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	597	681	598
Other intangible fixed assets	20	5	14
Improvement expenditures on third-party property	12	7	9
Equipment, tools, fixtures and fittings	75	68	64
Vehicles	4,302	3,207	3,506
Non-current receivables	-	1	1
Deferred tax receivables	123	7	7
Pension assets	14	-	14
<b>Total non-current assets</b>	<b>5,143</b>	<b>3,976</b>	<b>4,213</b>
<b>Current assets</b>			
Inventory	42	52	52
Accounts receivable	370	341	476
Other current receivables	89	64	61
Prepaid expenses and accrued revenue	270	339	208
Funds in escrow	164	155	153
Cash and cash equivalents	171	159	107
<b>Total current assets</b>	<b>1,106</b>	<b>1,110</b>	<b>1,057</b>
<b>TOTAL ASSETS</b>	<b>6,249</b>	<b>5,086</b>	<b>5,270</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>254</b>	<b>145</b>	<b>-43</b>
<b>Non-current liabilities</b>			
Borrowing, Note 2	3,989	2,501	2,502
Deferred tax liabilities	43	-	-
Provisions for pensions and similar obligations	24	15	27
Other provisions	47	72	61
<b>Total non-current liabilities</b>	<b>4,103</b>	<b>2,588</b>	<b>2,590</b>
<b>Current liabilities</b>			
Accounts payable	555	417	425
<b>Borrowing, Note 2</b>	<b>483</b>	<b>1,107</b>	<b>1,420</b>
Other current liabilities	118	119	145
Accrued expenses and deferred income	736	710	733
<b>Total current liabilities</b>	<b>1,892</b>	<b>2,353</b>	<b>2,723</b>
<b>Total liabilities</b>	<b>5,995</b>	<b>4,941</b>	<b>5,313</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,249</b>	<b>5,086</b>	<b>5,270</b>

## Consolidated statement of changes in equity

SEK millions	Share capital	Other contributed capital	Translation differences	Losses carried forward	Total equity
<b>Opening equity per March 1, 2011</b>	<b>224</b>	<b>2,271</b>	<b>26</b>	<b>-2,343</b>	<b>178</b>
Comprehensive income	-	-	9	-42	-33
<b>Closing equity per November 30, 2011</b>	<b>224</b>	<b>2,271</b>	<b>35</b>	<b>-2,385</b>	<b>145</b>
<b>Opening equity per March 1, 2012</b>	<b>224</b>	<b>2,271</b>	<b>35</b>	<b>-2,573</b>	<b>-43</b>
Comprehensive income			0	114	114
<b>Transactions with owners</b>					
Reduction in share capital	-217	-	-	217	-
New issue of shares (non-cash issue, Senior Note holders)	181	-	-	-	181
New issue of shares to senior executives	2	-	-	-	2
Bonus issue	38	-	-	-38	-
Issuance costs	0	-	-	-	0
<b>Total transactions with owners</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>179</b>	<b>183</b>
<b>Closing equity per November 30, 2012</b>	<b>228</b>	<b>2,271</b>	<b>35</b>	<b>-2,280</b>	<b>254</b>

*There are no controlling interests.*

## Consolidated cash flow statement

SEK millions	Quarter		Period		Full year
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Mar 11-Feb 12
<b>Cash flow from operations</b>					
Earnings after financial items	0	-12	43	-42	-230
<i>Adjustments for items not included in cash flow</i>	193	177	516	531	743
<b>Cash flow from operations before changes in working capital</b>	<b>193</b>	<b>165</b>	<b>559</b>	<b>489</b>	<b>513</b>
<b>Cash flow from changes in working capital</b>					
Changes in inventory	4	4	10	-3	-3
Change in operating receivables	-85	54	16	121	124
Change in operating liabilities	177	24	108	-136	-12
<b>Total change in working capital</b>	<b>96</b>	<b>82</b>	<b>134</b>	<b>-18</b>	<b>109</b>
Received interest income	1	-	3	1	4
Tax paid	-	-	-	-	-
<b>Cash flow from operations</b>	<b>290</b>	<b>247</b>	<b>696</b>	<b>472</b>	<b>626</b>
<b>Cash flow from investing activities</b>					
Change in funds in escrow	4	-46	-11	-43	-41
Investments in land, vehicles, equipment tools fixtures and fittings, excl. financial leases	-29	-38	-96	-77	-115
Sales of buildings and land, vehicles, equipment tools fixtures and fittings	7	6	21	108	114
<b>Cash flow from investing activities</b>	<b>-18</b>	<b>-78</b>	<b>-86</b>	<b>-12</b>	<b>-42</b>
<b>Cash flow from financing activities</b>					
Repayment of principal, financial leasing liabilities	-115	-88	-317	-254	-346
Repayment of principal, loans	-733	-	-733	-110	-110
New borrowing	551	-	551	-	-
Borrowing cost	-34	-	-34	-	-
Non-cash issue	183	-	183	-	-
Paid interest	-104	-45	-195	-166	-248
<b>Cash flow from financing activities</b>	<b>-252</b>	<b>-133</b>	<b>-545</b>	<b>-530</b>	<b>-704</b>
<b>Cash flow for the period</b>	<b>20</b>	<b>36</b>	<b>65</b>	<b>-70</b>	<b>-120</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>150</b>	<b>124</b>	<b>107</b>	<b>225</b>	<b>225</b>
Cash flow for the period	20	36	65	-70	-120
Translation difference	1	-1	-1	4	2
<b>Cash and cash equivalents at end of period</b>	<b>171</b>	<b>159</b>	<b>171</b>	<b>159</b>	<b>107</b>

## Parent company's income statement in brief

SEK millions	Quarter		Period		Full year
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Mar 11-Feb 12
Net sales	40	39	118	111	151
<b>OPERATING EXPENSES</b>					
Other external expenses	-21	-25	-59	-63	-139
Personnel expenses	-21	-17	-51	-46	-63
Depreciation/impairment of intangible and tangible non-current assets	-4	-4	-12	-9	-13
<b>OPERATING PROFIT</b>	<b>-6</b>	<b>-7</b>	<b>-4</b>	<b>-7</b>	<b>-64</b>
Earnings from participations in Group companies	-	-	-	-	21
Financial income	17	11	45	32	44
<b>Financial expenses</b>	<b>-1</b>	<b>0</b>	<b>-6</b>	<b>1</b>	<b>-1</b>
<b>NET FINANCIAL ITEMS</b>	<b>16</b>	<b>11</b>	<b>39</b>	<b>33</b>	<b>64</b>
<b>EARNINGS BEFORE TAX</b>	<b>10</b>	<b>4</b>	<b>35</b>	<b>26</b>	<b>0</b>
Tax	-	-	-	-	-
<b>NET EARNINGS FOR THE PERIOD</b>	<b>10</b>	<b>4</b>	<b>35</b>	<b>26</b>	<b>0</b>

## Report of the parent company's comprehensive income

SEK millions	Quarter		Period		Full year
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Mar 11-Feb 12
<b>Net earnings for the period</b>	<b>10</b>	<b>4</b>	<b>35</b>	<b>26</b>	<b>0</b>
<b>Other comprehensive income</b>					
Other comprehensive income for the period, net after tax	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>10</b>	<b>4</b>	<b>35</b>	<b>26</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>10</b>	<b>4</b>	<b>35</b>	<b>26</b>	<b>0</b>

## Parent company's balance sheet in brief

SEK millions	Quarter		Full year
	Nov 30, 2012	Nov 30, 2011	Feb 29, 2012
<b>ASSETS</b>			
<b>Non-current assets</b>			
Other intangible assets	19	5	13
Equipment, tools, fixtures and fittings	30	29	30
Participations in Group companies	1,953	1,772	1,772
Receivables from Group companies	625	335	400
<b>Total financial assets</b>	<b>2,627</b>	<b>2,141</b>	<b>2,215</b>
<b>Current assets</b>			
Receivables from Group companies	80	108	85
Other current receivables	-	10	6
Prepaid expenses and accrued revenue	5	49	9
Funds in escrow	57	57	56
Cash and cash equivalents	121	1	65
<b>Total current assets</b>	<b>263</b>	<b>225</b>	<b>221</b>
<b>TOTAL ASSETS</b>	<b>2,890</b>	<b>2,366</b>	<b>2,436</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>2,525</b>	<b>2,333</b>	<b>2,307</b>
<b>Non-current liabilities</b>			
Liabilities to Group companies	181	-	-
Pension provisions	3	2	2
<b>Total non-current liabilities</b>	<b>184</b>	<b>2</b>	<b>2</b>
<b>Current liabilities</b>			
Accounts payable	20	16	22
Liabilities to Group companies	143	1	86
Other current liabilities	3	1	1
Accrued expenses and deferred revenue	15	13	18
<b>Total current liabilities</b>	<b>181</b>	<b>31</b>	<b>127</b>
<b>Total liabilities</b>	<b>365</b>	<b>33</b>	<b>129</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,890</b>	<b>2,366</b>	<b>2,436</b>

## Parent company's change in equity

SEK millions	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Earnings for the period	Total equity
<b>Opening equity per March 1, 2011</b>	<b>224</b>	<b>-</b>	<b>612</b>	<b>1 406</b>	<b>65</b>	<b>2 307</b>
Reversal of previous year's earnings	-	-	-	65	-65	-
Earnings for the period	-	-	-	-	26	26
<b>Closing equity per Nov 30, 2011</b>	<b>224</b>	<b>-</b>	<b>612</b>	<b>1 471</b>	<b>26</b>	<b>2 333</b>
<b>Opening equity per March 1, 2012</b>	<b>224</b>	<b>-</b>	<b>612</b>	<b>1 471</b>	<b>0</b>	<b>2 307</b>
Reversal of previous year's earnings	-	-	-	-	-	-
Earnings for the period	-	-	-	-	35	35
<b>Transactions with owners</b>						
Reduction in share capital	-217	-	-	217	-	-
New issue of shares (non-cash issue to Senior Note holders)	181	-	-	-	-	181
New issue to senior executives	2	-	-	-	-	2
Bonus issue	38	-	-	-38	-	-
Transfer to statutory reserve	-	1	-	-1	-	-
Issuance costs	0	-	-	-	-	0
<b>Total transactions with owners</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>178</b>	<b>-</b>	<b>183</b>
<b>Closing equity per Nov 30, 2012</b>	<b>228</b>	<b>1</b>	<b>612</b>	<b>1 649</b>	<b>35</b>	<b>2 525</b>

## Note 1. Segment reporting

SEK millions, unless otherwise stated	Quarter		Period		Full year
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Mar 11-Feb 12
<b>Revenues per business area</b>					
<i>Nobina Sweden</i>	1,253	1,211	3,625	3,685	4,905
<i>Nobina Denmark</i>	87	82	254	239	325
<i>Nobina Norway</i>	249	189	689	540	718
<i>Nobina Finland</i>	214	195	598	584	775
<i>Elimination of sales to interregional traffic</i>	-7	-10	-25	-36	-43
<b>Total regional traffic</b>	<b>1,796</b>	<b>1,667</b>	<b>5,141</b>	<b>5,012</b>	<b>6,680</b>
<i>Swebus</i>	79	83	278	291	370
<i>Elimination of sales to regional traffic</i>	-	-	-	-	-
<b>Total interregional traffic</b>	<b>79</b>	<b>83</b>	<b>278</b>	<b>291</b>	<b>370</b>
<b>Total revenues</b>	<b>1,875</b>	<b>1,750</b>	<b>5,419</b>	<b>5,303</b>	<b>7,050</b>

SEK millions, unless otherwise stated	Quarter		Period		Full year
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Mar 11-Feb 12
<b>Operating profit per business area</b>					
<i>Nobina Sweden</i>	94	79	260	218	295
<i>Nobina Denmark</i>	-6	-8	-17	-25	-33
<i>Nobina Norway</i>	1	2	-12	7	-128
<i>Nobina Finland</i>	12	10	21	16	12
<b>Total regional traffic</b>	<b>101</b>	<b>83</b>	<b>252</b>	<b>216</b>	<b>146</b>
<i>Swebus</i>	-4	-6	9	7	-4
<b>Total interregional traffic</b>	<b>-4</b>	<b>-6</b>	<b>9</b>	<b>7</b>	<b>-4</b>
<i>Central functions and other items</i>	-16	-17	-32	-36	-105
<b>Total operating profit</b>	<b>81</b>	<b>60</b>	<b>229</b>	<b>187</b>	<b>37</b>

## Not 2. Financing

SEK millions, unless otherwise stated	Quarter		Period		Full year
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Mar 11-Feb 12
<b>Operational leasing, Buses</b>					
Nominal value of future payments - Buses	-	-	442	741	674
Present value of future payments - Buses	-	-	410	664	606
Number of operationally leased buses	-	-	995	1,295	1,225
Reported operational leasing expense	50	62	162	198	246
<b>Interest-bearing non-current liabilities</b>					
Senior Notes	551	768	551	768	743
Financial leasing liability	3,921	2,846	3,921	2,846	3,147
Factoring	-	-	-	-	36
Overdraft facility	33	-	33	-	-
Capitalized financing fees	-33	-6	-33	-6	-4
<b>Total</b>	<b>4,472</b>	<b>3,608</b>	<b>4,472</b>	<b>3,608</b>	<b>3,922</b>
Less current part	-483	-1,107	-483	-1,107	-1,420
<b>Total non-current liabilities</b>	<b>3,989</b>	<b>2,501</b>	<b>3,989</b>	<b>2,501</b>	<b>2,502</b>
<b>Interest expenses and similar profit/loss items</b>					
Interest expenses, financial leasing	-45	-38	-127	-108	-148
Interest expenses, Senior Notes	-18	-26	-63	-84	-107
Other financial expenses	-4	-6	-13	-15	-20
Realized and non-realized exchange rate profits	-16	-2	14	-24	4
<b>Total</b>	<b>-83</b>	<b>-72</b>	<b>-189</b>	<b>-231</b>	<b>-271</b>

Earnings per share	Quarter		Period		Full year
	Sep-Nov 12	Sep-Nov 11	Mar-Nov 12	Mar-Nov 11	Mar 11-Feb 12
Average number of ordinary shares during the period	151,859	24,928	85,320	24,928	24,928
Reported earnings	72	-12	114	-42	-230
Adjusted earnings	72	-12	114	-42	-230
<b>Earnings per share</b>	<b>0.48</b>	<b>-0.46</b>	<b>1.34</b>	<b>-1.67</b>	<b>-9.23</b>

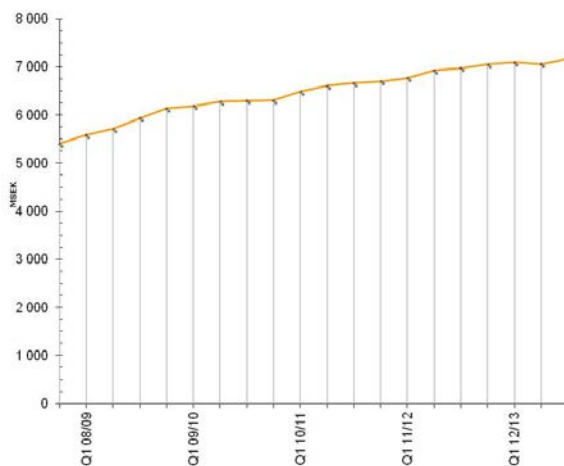


## Key ratio information

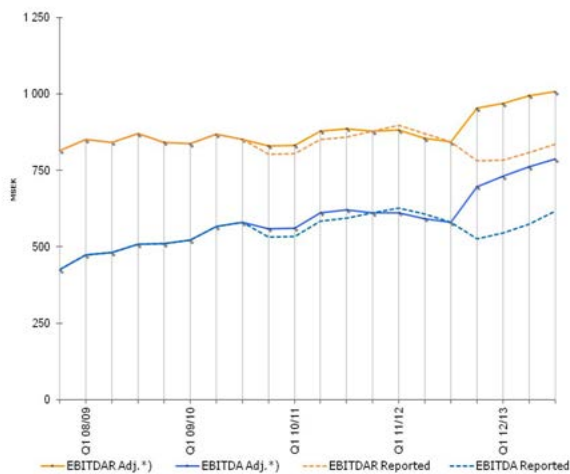
### Key ratios, most recent eight quarters

Key ratios, the Group in SEK millions, unless otherwise	2010/11	2011/12				2012/13		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sales								
Regional traffic	1,578	1,724	1,621	1,667	1,668	1,748	1,597	1,796
Interregional traffic	93	90	118	83	79	90	109	79
Operating profit								
Regional traffic	2	71	62	83	-70	73	78	101
Interregional traffic	-2	-2	15	-6	-11	0	13	-4
Earnings after financial items	-39	-12	-18	-12	-188	-12	55	0
Earnings after tax	-39	-12	-18	-12	-188	-12	54	72
Cash flow	-50	110	-216	36	-50	-17	62	20
Cash and cash equivalents	225	336	233	159	107	90	150	171
Equity ratio, %	3.4	3.3	3.1	2.9	Neg	Neg	Neg	4.0
Equity	178	169	158	145	-43	-55	-2	254
Equity/ordinary share, SEK	7.14	6.78	6.34	5.83	Neg	Neg	Neg	0.40
Number of buses	3,618	3,599	3,488	3,339	3,437	3,505	3,535	3,608
Estimated full-time positions	7,714	7,152	6,744	6,731	7,008	6,824	6,530	6,563

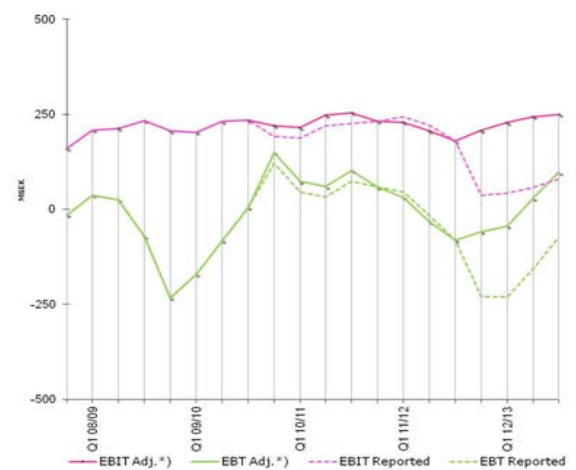
### Revenues, rolling twelve months, five years



### Operating profit, rolling 12 months, five years<sup>1</sup>

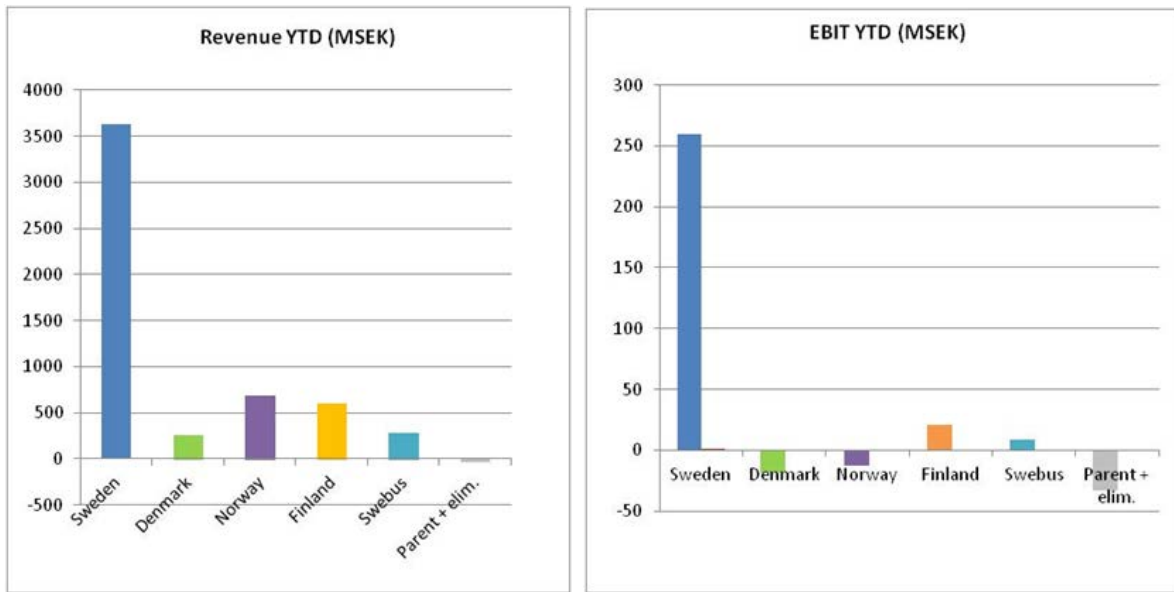


### Earnings, rolling 12 months, five years<sup>1</sup>

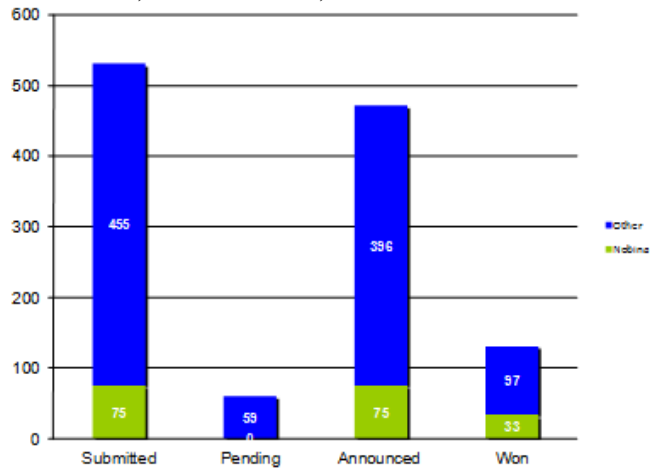


<sup>1</sup> Excluding one-off effects in Q4 09/10, Q1 11/12 and Q4 11/12

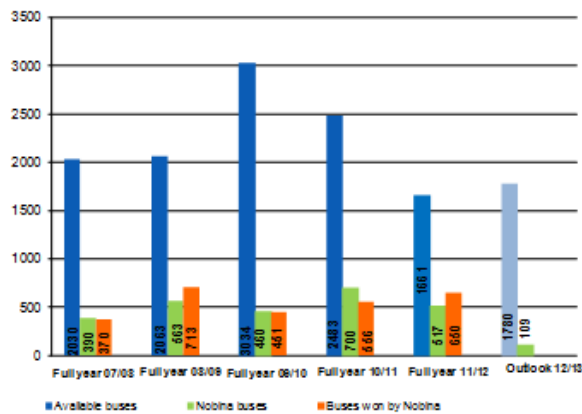
**Breakdown of revenues and operating income by segment, nine months, 2012/13**



**Tender results, number of buses, nine months 2012/13**



**Historical tender results and tender forecast 2012/13**



## Planned, newly started traffic, coming 12 months

Contract outcome per country, coming 12 months	Planned, newly started traffic December 2012 - November 2013					
	PTA	Contract type	Number of years	Traffic start	Number of buses	Value (SEK millions)
Sweden	Västtrafik	Regional traffic	8	December 2012	27	420
	Västtrafik	Regional traffic	8	December 2012	46	839
	Västtrafik	Regional traffic	2.5	December 2012	9	95
	Skånetrafiken	Regional traffic	6	June 2013	79	1,150
Finland	HSL	City traffic	6	January 2013	24	400
Total regional traffic					185	2,904

## Definitions

### CLIENT

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

### CONCESSION

Traffic contract granted to a certain operator by an authority/PTA without a tender procedure. 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.

### EBT

Earnings before tax.

### EBIT

Earnings before interest and tax.

### EBITDA

Earnings before interest, tax, depreciation and amortization.

### EBITDAR

Earnings before interest, tax, depreciation, amortization and rent

### 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.

### 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.

### 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.

### 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.