

NOBINA INTERIM REPORT 1 MARCH –31 MAY 2015

THE FIRST QUARTER

- Net sales amounted to SEK 1,995 million (1,886), an increase of 5.8%.
- Adjusted operating profit of SEK 106 million before IPO costs, and SEK 14 million (59) after such costs.
- Adjusted profit for the period after tax amounted to SEK 59 million before IPO costs, and SEK –33 million (–23) after such costs.
- Earnings per share amounted to SEK –0.5 SEK (–0.4).
- Cash flow from the operations was SEK 156 million (99).
- Investments, primarily for the purchase of buses, amounted to SEK 47 million (81).

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- On 25 May, Nobina publicly announced its intention to carry out a listing on Nasdaq Stockholm.
- On 24 May, Nobina's board of directors decided to replace the existing terms of the incentive scheme, to better reflect the possible IPO.
- Nobina's board of directors has adopted financial targets with respect to net sales growth, EBT margin, indebtedness and dividend policy. See page 10.
- Nobina's annual general meeting was held on 27 May at the Company's offices. At the AGM, the income statements and balance sheets of the Group and the Parent Company for 2014/2015 were adopted. The AGM decided to re-elect the entire board of directors.
- Nobina has retained former Infrastructure minister Catharina Elmsäter-Svärd as an adviser on strategic issues.

SIGNIFICANT EVENTS SINCE THE END OF THE QUARTER

- On 3 June, Nobina published its prospectus for the IPO, with an application period of 4–16 June for the general public in Sweden and 4–17 June for institutional investors. The scheduled first day of trading is 18 June 2015.

CEO'S COMMENTS

“Nobina's first quarter has been characterised by intensive work on important traffic starts as well as on the impending IPO of the Company. It is positive that we are also able to present a strong trend for all of Nobina's business segments. Especially Nobina Sweden has developed strongly, while the reported results of the remaining segments include expenses due to preparation and start-up costs for new contracts.

After last year's major contract gains, focus has been placed on impending traffic starts. Three large contracts in particular, in the areas of Södertörn (southern Stockholm), Follo (Norway) and Helsinki (Finland), require careful planning. It is, therefore, pleasing to announce that all of the planning projects are proceeding according to plan.

During the period, the Company's plans for an IPO on Nasdaq Stockholm were announced. We are taking this step for several reasons. Greater transparency will result in an improved credit rating, which in turn will lead to improved terms for financing our buses. The increased transparency will also increase understanding of the Nordic public transport market. I look forward to welcoming a broader Nordic owner base, which will also broaden the Company's shareholder group.

In addition, I note that results for the quarter were affected both positively and negatively by various items. Higher than normal revenues from concluded negotiations constitute a positive factor, as does the fact that we received bonuses for good environmental performance in one of our Finnish contracts. Non-recurring costs incurred in connection with the IPO have a negative impact on earnings for the quarter.”

Ragnar Norbäck,
President and CEO

KEY RATIOS

Nobina (Millions, unless otherwise stated)	Quarter		Full year	Rolling 12 months
	Mar–May 2015	Mar–May 2014	Mar 2014–Feb 2015	Jun 2014–May 2015
Net sales	1,995	1,886	7,549	7,658
Operating profit (EBIT)	14	59	371	326
Earnings before tax (EBT)	–31	–16	141	126
Cash flow for the period	–38	–113	141	216
Adjusted operating profit ¹⁾ (EBIT)	106	59	371	418
Adjusted profit before tax ¹⁾ (EBT)	61	–16	141	218
	31 May 2015	31 May 2014	28 February 2015	28 February 2014
Cash and cash equivalents	413	198	453	309
Shareholders' equity	275	206	310	224
Net debt/EBITDA	4.30	4.48	4.19	4.49
Equity ratio, %	4.3	3.2	4.7	3.8

A complete key ratio table is presented on page 19.

1) Adjusted for non-recurring items of SEK 92 million in the operating profit, of which SEK 37 million related to the IPO and SEK 55 million to the incentive programme.

NOBINA IN BRIEF

Nobina is the Nordic region’s largest and most experienced public transport service provider. Our expertise in prospecting, tendering and active management of public transport contracts in combination with long-term delivery quality make us the industry leader in terms of profitability, development and initiatives promoting a healthier industry.

Every day, Nobina ensures that more than one million people get to work, school or other activities by delivering contracted public transport in Sweden, Norway, Finland and Denmark. In

addition, Nobina offers express bus services under the Swebus brand in the Swedish market.

Nobina makes travel simpler and more friendly for more than one million people every day. Our success creates a better society in the form of increased mobility, reduced environmental impact and lower cost to society.

For more information refer to www.nobina.com.

THE MARKET

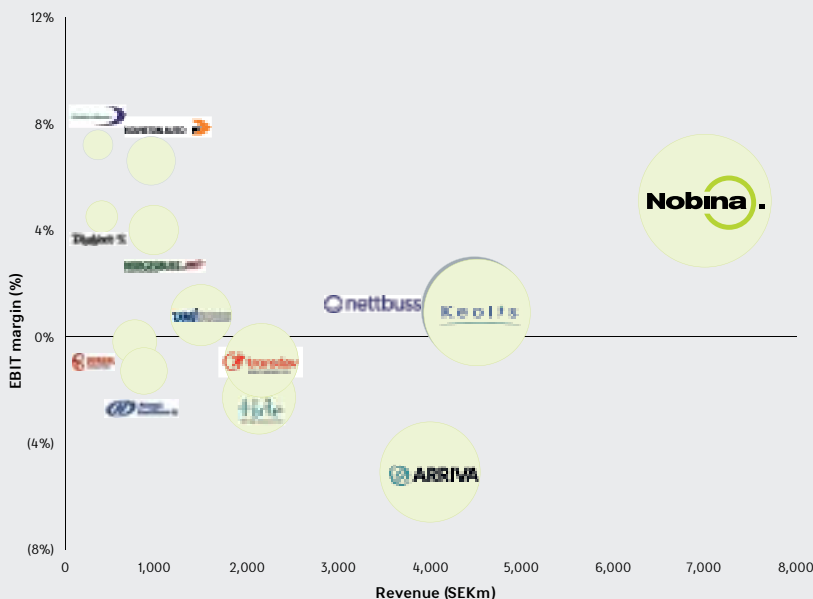
In the Nordic region, public transport has a key role to play in sustainable societal development and there is stable, long-term growth in demand for public transport. Similar conditions prevail on the Nordic markets. A common feature in all countries is that clients in the form of regional public transport authorities are tasked with organising public transport solutions for their immediate areas. Costs for regional travel are financed in part by municipalities and in part from ticket revenues, while there is free competition and pricing on the market for long distance bus traffic.

The Nordic market is gradually maturing and improving in several areas: increased environmental awareness, a balance between pricing and quality in the imposition of demands, as well as increased interest in incentive contracts instead of traditional production contracts with fixed compensation models. At the same time, the markets vary as regards experience and knowledge in procurement procedures. An ever increasing percentage of traffic is currently being contracted in accordance with the EU’s Traffic Regulation, which increases Nobina’s market. The procurement model has long been well-established in Sweden and Denmark and is becoming increasingly common in Norway and Finland.

Nobina’s position on the market

Nobina is a well-established part of the Nordic public transport infrastructure. In Sweden, our leading market position is characterised by a high level of efficiency and successful work in developing the contract portfolio. In Finland, as a market leader in Helsinki we are well-positioned to increase our market shares on an expanding market. Nobina is a challenger on the Norwegian and Danish markets, at the same time as these markets too are growing in terms of volume and number of contracts. As the largest and most experienced traffic operator in the Nordic region, conditions are favourable for profitable growth.

The Nordic public transport market for bus travel



Nobina is the sole traffic operator with operations in all four Nordic countries, thereby creating a unique position with access to tender volumes in all countries as well as economies of scale in both the operations and the bus fleet. Other operators are active in only one or two countries.

The size of the bubbles in the graphic to the left shows the Nordic market share for public transport by bus in accordance with most recently reported sales; EBIT margin includes other activities in addition to public transport by bus.

Source: Market study carried out by a leading strategy consulting firm on behalf of Nobina, March 2015, with figures from the most recently available closing accounts.

NOBINA'S FINANCIAL DEVELOPMENT

The first quarter (1 March – 31 May 2015)

Sales

Nobina's net sales for the first quarter amounted to SEK 1,995 million (1,886), an increase of 5.8 per cent compared with the corresponding period of last year. Sales were positively affected by increased revenues in existing contracts, the start-up of new contracts, and revenue indexation.

Earnings

Operating profit for the first quarter (EBIT) amounted to SEK 14 million (59), of which SEK 112 million (74) related to regional traffic and SEK -3 million (-1) to interregional traffic. Central costs were SEK -95 million (-14).

Operating profit was positively affected by revenues resulting from contract negotiations, mainly in Sweden, as well as environmental bonuses in Finland. Last year's large number of new starts and termination of contracts, referred to as contract migration, has resulted in a younger contract portfolio. Newly started contracts entail investments and initially lower operating profit, which is followed by a gradual increase in profitability. The negative impact on earnings of the new contracts was offset during the first quarter by the fact that three loss-making contracts expired during the preceding financial year.

The operating margin for the quarter before amortisation/depreciation, costs for operationally leased buses and realised result from sales of buses (EBITDAR) amounted to 8.3 per cent (11.7). The EBITDA margin was 7.5 per cent (10.1). The difference between EBITDAR and EBITDA comprises operational leasing costs, and is declining in scope over time since Nobina's strategy is to finance buses through financial leasing.

Transaction costs of SEK 37 million related to the IPO have affected operating profit in the first quarter. The total transaction costs are estimated at SEK 76 million, assuming net proceeds in the Offering of SEK 850 million. Most of the remaining SEK 39 million will be reported in the second quarter, net against issue proceeds when the issue is completed.

Net financial items were SEK 30 million lower than in the same period of last year. The same quarter of last year was negatively affected by SEK 25 million of previously activated costs for redemption of the bond. Earnings before tax were lower than in the same

period of last year and amounted to SEK -31 million (-16). Excluding items related to the IPO, earnings before tax amounted to SEK 61 million.

In connection with the IPO, the Nobina's incentive scheme will be paid out in order to allow the participants to reinvest in shares in connection with the IPO. In the first quarter, incentive scheme costs of SEK 55 million have impacted on operating profit in the form of personnel costs. The remainder of the incentive scheme will impact on operating profit for the second quarter as personnel costs of SEK 117 million. Transaction costs for the period are reported within central functions and other items in the amount of SEK -37 million. Costs for the incentive scheme have negatively affected earnings for the period in the Nobina Sweden segment by SEK -6 million, in Nobina Denmark by SEK -3 million, in Nobina Norway by SEK -3 million, in Nobina Finland by -3 million, in Swebus by SEK -4 million and in central functions and other items by SEK -36 million.

Tax

Nobina's tax expense during the first quarter amounted to SEK -2 million (-7). The Group's tax expense constitutes 22 per cent of the Group's earnings. The effective tax rate was 6.5 per cent (43.8), which was negatively affected by non-activated loss carryforwards. The company accounts for deferred tax and fictive tax. This does not represent any paid tax.

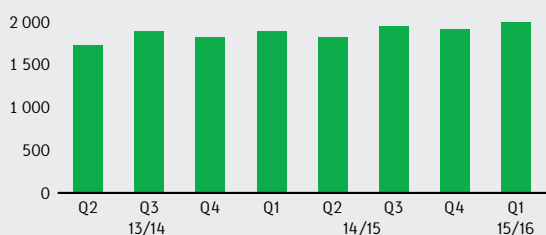
Financial position

Cash and cash equivalents at the end of the period amounted to SEK 413 million (SEK 198 million on 31 May 2014). In addition, Nobina had funds in escrow of SEK 106 million (607), primarily constituting security for leasing agreements, guarantees in respect of executed traffic contracts and tax accounts in Norway. The Group had an available bank credit facility of SEK 132 million (50 million), of which SEK 0 million was utilised on 31 May 2015 (0).

Nobina's interest-bearing debts amounted to SEK 4,310 million (4,516). Net debt thus amounted to SEK 3,791 million (3,711).

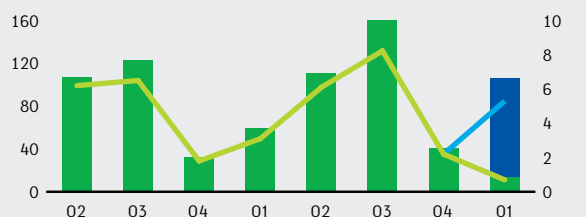
Shareholders' equity was SEK 274 million (206). The equity ratio at the end of the quarter was 4.3 per cent, compared with 3.2 per cent for the same period last year.

NET SALES



■ Net sales, SEK million

OPERATING PROFIT AND MARGIN



■ Operating profit, SEK million — Operating margin, %

■ Operating profit adjusted¹⁾, SEK million — Operating margin adjusted¹⁾, %

1) Adjusted for non-recurring items of SEK 92 million in the operating profit, of which SEK 37 million related to the IPO and SEK 55 million to the incentive programme.

Investments, depreciation and write-downs

Nobina's cash investments during the period relate to the purchase of buses including accessories as well as the purchase of other non-current assets in the amount of SEK 16 million (29), financed through loans amounting to SEK 18 million (0). Through its subsidiary Nobina Fleet AB, Nobina has invested in buses and signed financial leasing agreements amounting to SEK 31 million (52) in acquisition value. Nobina's financial leasing agreements have been classified as non-current assets and the leasing obligations are reported as a debt in the balance sheet. Depreciation and interest expenses are reported in the income statement.

During the period, Nobina sold buses and other non-current assets for SEK 3 million (1 million). The sale entailed a capital gain of SEK 0 million (-4).

The annual test for impairment of goodwill in Nobina's cash-generating entities, which is required in accordance with IFRS, was carried out during the fourth quarter of the 2014/2015 financial year in connection with preparation of the business plans for 2015/2016. None of the cash-generating entities in respect of which a test for impairment was carried out had a book value in excess of the recovery value. During the first quarter of 2015/2016, no known significant events have occurred which have affected previously presented business plans for 2015/2016. Accordingly, management makes the assessment that previously calculated recovery values exceed the

book value. Consequently, no write-down has been reported for the first quarter 2015/2016 and the 2014/2015 financial year.

Cash flow

Cash flow from the operations amounted to SEK 156 million (99) before capital expenditures and financing. In the period, cash flow from the operations, was affected by SEK -14 million from costs related to the IPO. Cash flow for the period was SEK -38 million (-113).

Working capital developed positively by SEK 4 million (-90) related, among other things, to renegotiated payment terms in traffic contracts.

Cash flow from investing activities amounted to SEK -4 million (-478) and was affected by released restricted bank accounts in the amount of SEK +9 million and investments in buses and equipment in the amount of SEK -16 million in the period. The previous year was affected by deposits on escrow accounts in connection with the bond refinancing.

Cash flow from financing activities was SEK -190 million (266) and affected in the period by SEK -5 million in transaction costs for the IPO as well as lower interest expenses on bonds and lease financing in the amount of SEK 18 million. Last year was affected by SEK 483 million in cash in connection with the bond refinancing.

Explanatory items for net sales and operating profit as well as profit before tax (SEK million)

Period	Net sales	Operating profit	Profit before tax	Definition	Result
March–May 2014	1,886	59	-16		
Price and volume	374	54	54	Price and volume shows the effect on sales and earnings of changes in existing contracts with respect to prices on performed traffic as well as changed traffic volumes.	Positive volume and price effect for all companies, with main effect from Nobina Sweden.
Contract migration	-277	10	10	Contract migration shows the effect on sales and earnings of changes in the contract portfolio in the form of terminated contracts and the start of new contracts.	Contract changes had a negative effect on net sales, but operating profit and profit before tax were positively affected since loss-making contracts were terminated.
Indexation	12	4	4	Indexation shows the effect on sales and earnings with respect to compensation for underlying cost inflation in the operation of traffic in awarded contracts.	Positive indexation effects on operating profit before tax demonstrates that Nobina's costs have not increased to the same extent as the contracts' indexation.
Business efficiency	0	-23	-23	Business efficiency shows the effect on earnings of efficiency developments concerning personnel costs, maintenance, damage, etc.	Negative efficiency trend driven in part by personnel expenses in connection with start-up of new contracts.
Other	0	2	2	'Other' includes the effect on earnings of sales of buses, property expenses, costs for marketing and sales, as well as other administrative costs.	'Other' includes the effect on earnings of sales of buses, property expenses, costs for marketing and sales, as well as other administrative costs.
IPO-costs	0	-92	-92	Costs related to the IPO and to the incentive programme.	Costs related to the IPO and to the incentive programme.
Financial items	-	-	30	Net financial items include profit/loss effects of interest rates, exchange rates and other financial items.	Net financial items include a non-recurring write-off of activated financing costs for bond loan in the same period last year.
Period Mar–May 2015	1,995	14	-31		

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Net sales (SEK million)	Quarter		Full year	Rolling 12 months
	Mar–May 2015	Mar–May 2014	Mar 2014–Feb 2015	June 2014–May 2015
Net sales per segment				
Nobina Sweden	1,358	1,275	5,138	5 221
Nobina Denmark	126	90	395	431
Nobina Norway	229	259	943	913
Nobina Finland	221	201	812	832
Elimination of sales to interregional traffic	-7	-6	-22	-23
Total regional traffic	1,927	1,819	7,266	7,374
Swebus	68	67	284	285
Elimination of sales to regional traffic	-	-	-1	-1
Total interregional traffic	68	67	283	284
Total net sales	1,995	1,886	7,549	7,658

Profit, adjusted for non-recurring items ¹⁾ (SEK million)	Quarter		Full year	Rolling 12 months
	Mar–May 2015	Mar–May 2014	Mar 2014–Feb 2015	Jun 2014–May 2015
Operating profit per segment				
Nobina Sweden	120	69	373	418
Nobina Denmark	-5	-5	-15	-18
Nobina Norway	-2	-2	-2	-5
Nobina Finland	14	12	47	46
Total regional traffic	127	74	403	441
Swebus	1	-1	9	7
Total interregional traffic	1	-1	9	7
Central functions and other items	-22	-14	-41	-122
Total operating profit	106	59	371	326
Net financial expense	-45	-75	-230	-200
Profit before tax	61	-16	141	126
Tax	-2	-7	-47	-42
PROFIT FOR THE PERIOD (ADJUSTED)	59	-23	94	84

1) Non-recurring items (SEK million)	Quarter	Transaction costs are reported within central functions and other items. The costs for the incentive scheme are reported in the segment to which they belong: Nobina Sweden (SEK -6 million), Nobina Denmark (SEK -3 million), Nobina Norway (SEK -3 million), Nobina Finland (SEK -3 million), Swebus (SEK -4 million) and central functions and other items (SEK -36 million).		
	Mar–May 2015	Mar–May 2014	Mar 2014–Feb 2015	Jun 2014–May 2015
Transaction costs in connection with IPO	-37			
Incentive programme	-55			
Total non-recurring items	-92			

Profit (SEK million)	Quarter		Full year
	Mar–May 2015	Mar–May 2014	Mar 2014–Feb 2015
Operating profit per segment			
Nobina Sweden	114	69	373
Nobina Denmark	-8	-5	-15
Nobina Norway	-5	-2	-2
Nobina Finland	11	12	47
Total regional traffic	112	74	403
Swebus	-3	-1	9
Total interregional traffic	-3	-1	9
Central functions and other items	-95	-14	-41
Total operating profit	14	59	371
Net financial expense	-45	-75	-230
Profit before tax	-31	-16	141
Tax	-2	-7	-47
PROFIT FOR THE PERIOD	-33	-23	94

SEGMENTS

Nobina's first quarter has been characterised by intensive work on important traffic starts as well as the impending IPO of the Company. Planning projects pending a number of major traffic starts are proceeding according to plan.

Sweden

Nobina Sweden's revenues continued to increase due to higher production volume and new contracts. During the first quarter of the year, we concluded a number of negotiations regarding contract terms with individual regional public transport authorities. Thus, operating profit was positively affected by revenues resulting from these negotiations. Nobina Sweden reports a significant improvement in earnings compared with last year, both before and after IPO costs.

Preparations pending the start of the contract in Södertörn in June are currently engaging large sections of the Swedish organisation. The planning work is proceeding according to plan. The contract, involving a compensation model largely comprised of incentive-based compensation, is valued at SEK 5 billion over eight years.

The long-standing appeal of the contract regarding regional public transport in Borås, in which Nobina was awarded the contract for 50 buses on June 2013, has been appealed to the appellate court.

Swebus

Swebus engages in interregional traffic and accounts for 3.4 per cent of Nobina's net sales. Over a long period of time, Swebus has been exposed to intensive price competition, resulting in fewer passengers and thereby lower revenues. The efficiency improvements in the operations carried out during the previous financial year have contributed to counteracting the negative impact on earnings. Swebus reports earnings before IPO costs which were somewhat better than last year.

Good planning of the Easter holiday traffic further contributed to the business area's strong operating profit before IPO costs.

Denmark

Volumes in the Danish operations have increased as a consequence of a newly started contract in Copenhagen during the fourth quarter of last year. Earnings for the quarter are negative, being affected by start-up costs for the new Copenhagen contract. Nobina Denmark reports earnings for the first quarter, before IPO costs, in line with the same period last year. Traffic start under this contract has proceeded according to plan.

Norway

Nobina Norway reports earnings for first quarter, before IPO costs in line with the same period last year. Revenues fell due to termination of the Vestfold contract during the preceding year.

Nobina Norway is working intensively on preparations pending traffic start in the second quarter of the contract in the Follo area. The contract covers 76 buses and the preparations are proceeding according to plan.

Nobina is continuing to engage in discussions on several levels with the public transport authority regarding the Tromsø contract in order to resolve problems identified in the contract.

Finland

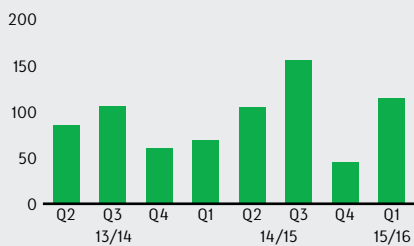
The Finnish operations report strong growth in existing contracts, with increased sales and improvements as regards most key ratios. Nobina Finland reports earnings before IPO costs that are somewhat better than last year.

Nobina is continuing to strengthen its presence in Finland and is currently preparing the operations for the start of urban traffic in the Vantaa area in Helsinki in the second quarter. With the start of traffic in August, Nobina Finland will achieve a market share in excess of 40% of the public transport market in Helsinki.

During the first quarter, Nobina Finland received a bonus in respect of good climate and environmental performance.

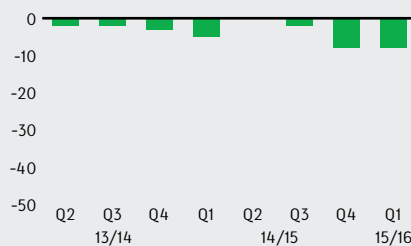
EBIT by segment, adjusted for non-recurring items, see table on previous page.

SWEDEN



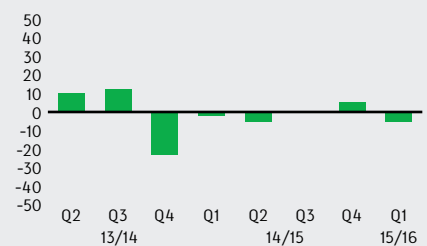
■ EBIT, SEK million

DENMARK



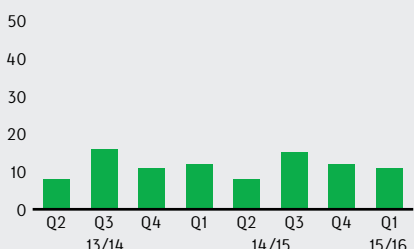
■ EBIT, SEK million

NORWAY



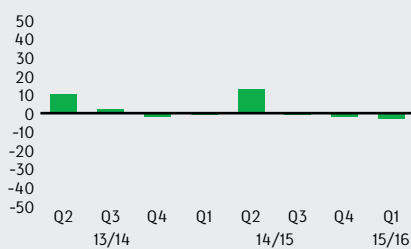
■ EBIT, SEK million

FINLAND



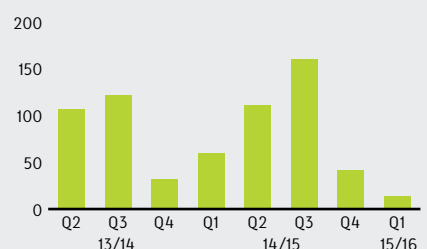
■ EBIT, SEK million

SWEBUS



■ EBIT, SEK million

NOBINA



■ EBIT, SEK million

Tender results, so far this year

The table shows the results of the procurement procedures in which Nobina has participated.

- Nobina submitted tenders in respect of 347 buses
- Nobina won no contracts during the first quarter
- Nobina lost contracts relating to 77 buses during the first quarter

Contract changes, so far this year

The table shows the change in the number of buses in traffic as a consequence of started and terminated contracts.

- Nobina started no contracts during the period
- Nobina terminated no contracts during the period

Mar–May 2015	Tender results during the period (number of buses)			Mar–May 2015	Traffic changes during the period (number of buses)	
	Announced	Won	Not won		Started	Ended
Sweden	54	0	54	Sweden	0	0
Norway	23	0	23	Norway	0	0
Finland	0	0	0	Finland	0	0
Denmark	0	0	0	Denmark	0	0
Total	77	0	77	Total	0	0

Traffic starts and terminations during the 12 months June 2015–May 2016

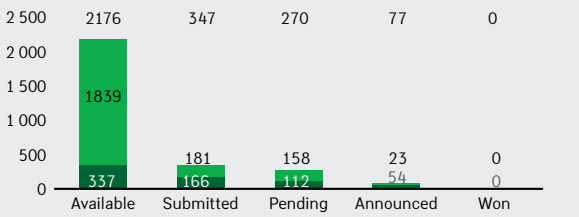
During the coming 12-month period, Nobina will start traffic involving 721 buses. Of these, 454 buses are expected to be newly acquired. During the same period, Nobina will terminate traffic involving 307 buses. This means a large contract migration as well as a significant growth in volume.

Traffic starts	PTA	No. of years	Traffic starts	No. of buses	New buses
Sweden	SL	8	June 2015	261	125
	LT Örebro	7	August 2015	24	22
	Värmlandstrafik	10	December 2015	105	29
	Värmlandstrafik	10	December 2015	149	160
	Skånetrafiken	7	December 2015	4	0
Finland	HSL	2	August 2015	66	20
	HSL ¹⁾	7	August 2015	28	21
	HSL	7	August 2015	5	5
	HSL	3	January 2016	3	3
Norway	Ruter	8	June 2015	62	69
	Ruter	5	June 2015	14	0
Total				721	454

1) Of which 7 buses start in January 2016

Expiring contracts	PTA	Traffic ends	No. of buses
Sweden	SL	June 2015	95
	LT Örebro	August 2015	23
	Värmlandstrafik	December 2015	99
	Skånetrafiken	December 2015	7
	LT Västerbotten	December 2015	2
Finland	HSL	August 2015	33
Norway	Ruter	June 2015	26
	Ruter	June 2015	22
Total			307

TENDERS (NUMBER OF BUSES)



■ Other
■ Nobina

Definitions:

- Available – Available tenders this year*
- Submitted – Nobina’s submitted tenders*
- Pending – Submitted less announced*
- Announced – Submitted tenders, results are announced*
- Won – Nobina’s wins out of announced tenders*

WEIGHTED AVERAGE CONTRACT LENGTH, YEARS: 8.6
Contract length taking into account the number of buses.

The average non-weighted contract length was 7.6 years (7.8).

WEIGHTED AVERAGE CONTRACT AGE, YEARS: 4.8
Contract age taking into account the number of buses.

The average non-weighted contract age was 4.5 years (4.8).

AVERAGE AGE OF BUS FLEET, YEARS: 6,0 (6.3)

OTHER INFORMATION

Personnel

Nobina had on average 8,054 (6,803) employees. In all countries in which Nobina operates, collective agreements are applied in accordance with agreements with the trade unions. Nobina has well-established practices and traditions as to the manner in which work times, compensation conditions, information and cooperation are negotiated.

The Parent Company

The Parent Company has 10 (9) employees who participate in the overall management of the Nobina Group, financial administration, controls and analyses. The Parent Company’s sales, which consist exclusively of internal invoicing services, amounted during the quarter to SEK 10 million (14). The Parent Company’s loss before tax was SEK –127 million (9). Operating profit for the quarter was affected by transaction costs in connection with IPO in the amount of SEK 37 million and incentive scheme costs in the amount of SEK 55 million. Funds in escrow at the end of the period amounted to SEK 25 million (52). Investments in intangible and tangible non-current assets amounted to SEK 0 million (0). The Parent Company’s shareholders’ equity was SEK 2,588 million (2,613). The Parent Company’s equity ratio was 64(98) per cent.

Transactions with closely related parties

No significant transactions with closely related parties have taken place during the first quarter. Following a resolution adopted at the annual general meeting on 27 May, 322,698 new shares were issued to Nobina’s CEO Ragnar Norbäck.

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 a higher traffic volume, a larger number of weekdays, and a high level of travelling in society, while the second quarter is weakest due to lower traffic volume during the holiday period.

As regards interregional operations, the trend is different inasmuch as the second quarter is the strongest due to a higher number of passengers during the holiday period, while the third quarter is weakest due to a lower number of holidays, resulting in fewer passengers. The breakdown of sales and earnings per quarter for regional and interregional traffic 2013/2014 and 2014/2015 is shown in the key ratio table on page 19.

Risks and uncertainty factors

Nobina 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. The interest rate risk is largely offset by revenue indexation in traffic contracts. During the quarter, Nobina had no interest rate hedging.

Nobina bears a refinancing risk since the existing corporate bond (the “Bond”) of SEK 550 million matures in May 2019. The Bond carries a fixed rate of interest of 8 per cent, and results in no interest rate risk. In the event of any IPO, Nobina intends to redeem the Bond using proceeds from newly issued shares.

Nobina is exposed to currency risks in conjunction with translation of the balance sheets and income statements of subsidiaries. Nobina also has indirect exposure to USD/SEK since diesel is purchased in USD on the international commodities markets. Nobina’s finance policy provides that currency risks may be hedged through currency derivatives. Nobina had no currency hedging during the quarter.

Nobina 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, compensation is obtained for changes in the diesel price through revenue indexation in traffic contracts. The index baskets in the traffic contracts are relatively well matched against the cost breakdown, but compensation takes place with a time lag of 1 to 6 months, which results in a negative impact on earnings during a period of increasing prices. There is no indexation of revenues within interregional

traffic. Increased fuel prices are compensated for through increased ticket prices, if market conditions so allow. On 31 May 2015, Nobina had no outstanding diesel derivatives.

Nobina may be affected by the results of appeals of tender awards. However, the impact is limited since no vehicles are ordered, and no other investments made, before the traffic contract is signed.

For more information concerning risks and uncertainty factors, see the corresponding section in Nobina AB's annual report for 2014/2015.

Disputes

During the preceding year, Nobina Norge pursued a claim against Troms fylkestrafikk regarding the Tromsø traffic contract. The dispute was adjudicated by the court in 2015, when the claim was dismissed. The decision has been appealed.

Bonds, financing and valuation

On 13 May 2014, in order to refinance an outstanding bond loan, Nobina Europe issued senior secured fixed rate bonds (the "Bonds") denominated in SEK with fixed rate of interest and security. The nominal amount of the Bonds totalled SEK 550 million, within a limit of SEK 660 million. The Bonds, which are listed on NASDAQ in Stockholm, carry a fixed rate of interest of 8.0 per cent and mature in May 2019.

The fair value is assessed as equalling the nominal value of the Bonds.

Nobina has an available bank credit facility of SEK 132 million. The methods and assumptions used by Nobina when calculating fair value of the financial instruments are described in Note 29 of 2014/2015 annual report. Further information regarding the accounting principles for financial instruments is provided in Note 28 of the 2014/2015 annual report. No transfers have taken place between the value levels during the period.

For information regarding repayment of the Bonds, see IPO below.

IPO

On 25 May 2015, Nobina made public its intention to carry out a listing on Nasdaq Stockholm. On 3 June 2015, a prospectus and price range in the IPO were published. The application period for the general public in Sweden is 4–16 June 2015. The application period for institutional investors is 4–17 June 2015. The first day of trading on Nasdaq Stockholm is planned to 18 June 2015. The Offering is made to the general public in Sweden as well as to institutional investors in Sweden and abroad. The final price will be established within the price range SEK 33–40 SEK per share, and is expected to be published on or around 18 June 2015.

The Offering covers in total between 51,149,606 and 61,821,582 shares, of which between 29,899,606 and 36,064,006 are existing shares ("Existing Shares") offered by Sothic Capital, BlueMountain, Invesco, Anchorage, BlueCrest, Kite Lake, Magnolia, Gladwyne and Ironshield (the "Vendor Shareholders") and a maximum number of 25,757,576 newly issued shares ("New Shares") offered by Nobina, whereupon the number of New Shares will be determined at a number which raises gross proceeds for Nobina of SEK 850 million.

In order to cover any surplus allotment, Sothic Capital, Anchorage and Invesco have issued a surplus allotment option to Carnegie, Danske Bank and Pareto Securities to acquire up to 7,418,590 additional existing shares in Nobina. Assuming that the Surplus Allotment option is exercised in full, the Offering will

cover up to 69,240,172 shares, corresponding to approximately 78 per cent of the total number of outstanding shares in the Company after the Offering and resulting in a market capitalisation for Nobina of approximately SEK 2,941 million to SEK 3,384 million, depending on the final price in the Offering.

Assuming gross proceeds of SEK 850 million, reduced by anticipated transaction costs in the Offering of SEK 76 million, SEK 37 million of the transaction costs have affected the operating profit in the first quarter. When the issue is completed on the listing day, most of the SEK 39 million balance will be reported net against the issue proceeds.

Nobina's incentive scheme is being paid out in full in connection with the Offering to allow for re-investments in the Offering. Operating profit for the first quarter has been affected by personnel costs in the amount of SEK 55 million. The remainder of the incentive scheme will affect the operating profit for the second quarter as a personnel cost of SEK 117 million.

The Bonds

The Bond Terms entails certain restrictions on the issuance of dividends. Provided the IPO is carried out, Nobina intends, shortly thereafter, to use SEK 638 million of the net proceeds from the IPO to repay the Bonds in their entirety by exercising Nobina Europe's entitlement to redeem the Bonds prematurely, as provided in the Note terms. The Bonds will be redeemed in an amount corresponding to the total of (i) 104 per cent of the nominal amount of the Bonds; (ii) the accrued interest on the Bonds; and (iii) the total of the outstanding interest payments on the Bonds up to and including 14 November 2016. This will entail a payment from Nobina of a premium of SEK 88 million and that Nobina's indebtedness is reduced by SEK 550 million. Notice containing information regarding the record date for redemption and the redemption date will be distributed not later than 15 days prior to the redemption date.

Incentive programme

Nobina has a management incentive programme for ten members of the Group Management (including the Chief Executive Officer) and a management incentive programme for members of the Board of Directors (excluding the Chief Executive Officer). The Company's aggregate cost for these two programmes amount to SEK 172 million (including social security contributions and taxes), of which the Group Management will be entitled to an aggregate amount of approximately SEK 122 million (excluding social security contributions and taxes) and the Board of Directors will be entitled to an aggregate amount of approximately SEK 11.3 million (excluding social security contributions and taxes). Payment will be made in connection with the closing of the listing on Nasdaq Stockholm and, to that end, the participants in both programmes have undertaken to reinvest an amount equivalent to 75 per cent of the amount paid (net of tax) into shares by way of purchasing shares in the Offer. For this purpose, participants in Nobina's incentive programme will be guaranteed allocation of shares in the Offer. Assuming a price at the mid-point of the Offer Price Range, members of the Group Management and the Board of Directors will purchase a total of 1,249,315 shares, thereby increasing their shareholding in Nobina from 1.1% to about 2.2%. The purchased shares will be subject to lock-up undertakings. In addition, John Allkins, a director of Nobina, has expressed an intention to acquire, in addition to the shares he purchases by way of re-investment under the management incentive programme, such additional number of shares in the Offer as will amount to a total of SEK 700,000, of which the number of shares will be determined based on the final price of the

Offer. These shares will also be subject to a lockup undertaking.

Financial targets

Nobina's board of directors has adopted new financial targets for the business operations:

- Net sales growth: Nobina targets to grow net sales at a rate faster than the market.
- EBT margin: Since Nobina intends to repay the existing Bonds in their entirety shortly after the IPO, Nobina is raising its current target (of an EBT margin in excess of 4.0 per cent in the medium term). Nobina now aims to grow its EBT¹⁾, and on an annual basis achieve an EBT margin in excess of 4.5 per cent in the medium term.
- Indebtedness target: Nobina intends to use proceeds from the Offering to repay the outstanding Bonds. Nobina intends primarily to use financial leasing to finance Nobina's growth. Under normal circumstances, Nobina intends to maintain a net leverage ratio of 3.0x two 4.0x EBITDA²⁾.
- Dividend policy: Under normal circumstances³⁾, Nobina expects to distribute annually more than 75 per cent of EBT. For the current financial year, ending 29 February 2016, provided nothing unforeseen occurs Nobina expects to distribute at least 75 per cent of adjusted EBT⁴⁾.

Annual general meeting

Nobina held its annual general meeting on Wednesday, 27 May 2015. The income statement and balance sheets for the Group and the Parent Company for the 2014/2015 financial year were adopted at the annual general meeting. The AGM resolved that the profits available for distribution would be carried forward and that the board of directors and the CEO be granted discharge from liability in respect of the past financial year.

Jan Sjöqvist, John Allkins, Birgitta Kantola, Graham Oldroyd, Gunnar Reitan and Ragnar Norbäck were re-elected as directors. Jan Sjöqvist was re-elected as chairman of the board. The accounting firm PricewaterhouseCoopers AB was re-elected as the Company's auditor.

Principles were adopted regarding the appointment of a nomination committee and guidelines for remuneration to senior executives in accordance with presented proposals.

A resolution was adopted also to authorise the board of directors, on one or more occasions prior to the next annual general meeting, decide on new issues of shares in the Company and thereupon to be able to disapply the shareholders' pre-emption rights. The reason for the disapplication of the shareholders' pre-emption rights shall, in such case, be to offer shares to investors in connection with the raising of capital and or spreading of ownership. Payment for subscribed shares may be possible in cash, through a debt/equity swap, or through non-cash consideration. In the event new shares are issued disapplying the shareholders' pre-emption rights, the new issue shall take place at a market price determined by the board of directors in consultation with the Company's financial advisers. Where the board deems appropriate in order to facilitate the delivery of shares in connection with

the raising of capital or spreading of ownership, a new issue may also take place at a subscription price corresponding to the share's quotient value

A resolution was adopted regarding an issue of not more than 645,396 new shares to the Company's President and CEO, in accordance with a presented proposal. The reason for the disapplication of the shareholders' pre-emption rights is that, pursuant to an incentive scheme agreement, the Company had undertaken to deliver new shares to the party to whom the issue was targeted.

Finally, it was resolved to reduce the number of shares in the Company through a 1:10 reverse share split, i.e. that ten (10) shares be consolidated into one (1) share and to authorise the board of directors to decide on a record date for the reverse share split, which shall occur after the resolution regarding the reverse share split has been registered at the Swedish Companies Registration Office. In order to facilitate a reverse share split, it was also resolved that article 5 of Nobina's articles of association be altered such that there be no fewer than 60,000,000 and no more than 240,000,000 shares.

Significant events

- On 25 May 2015, Nobina made public its intention to carry out a listing on Nasdaq Stockholm.
- During the period, Nobina has retained former infrastructure Minister Catharina Elmsäter-Svärd as adviser on strategic issues.

Events since the end of the period

On 3 June 2015, Nobina published the prospectus and price range in the IPO on Nasdaq Stockholm. The application period for the general public in Sweden is 4–16 June 2015. The application period for institutional investors is 4–17 June 2015. The first day of trading on Nasdaq Stockholm is scheduled for 18 June 2015.

Accounting principles

Nobina applies International Financial Reporting Standards (IFRS) as adopted by the EU and applies RFR 1 "Supplementary accounting rules for groups". There are no new IFRS assumptions or IFRIC statements adopted by the EU which will be applicable to Nobina or have a significant effect on Nobina's earnings and financial position during 2015/2016. In other respects, Nobina applies the same accounting principles and calculation methods as in the annual report for 2014/2015. See "Note 1 Company information and accounting principles", except as stated below.

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, as well as opinions issued by the Swedish Financial Reporting Board. This interim report has been prepared in accordance with IAS 34.

Assurance

The President hereby provides an assurance that the report for the first quarter provides a true and fair view of the operations, finan-

1) EBT defined as profit / loss before tax.

2) Profit / loss for the year before net financial items, tax, depreciation/amortisation and impairment of PPE and intangible assets and capital losses from the disposal of sales of non-current assets. EBITDA based on last twelve months. Leverage may temporarily exceed this range in relation to the commencement of large contracts.

3) Taking into account Nobina's cash flow, investment needs and general business conditions

4) EBT for the financial year ending 29 February 2016 will be adjusted for costs related to the Offer as well as all costs accounted for in relation to interest on, and early repayment of, the outstanding Bonds and costs related to the payment under the incentive programme.

cial position and revenues of the Company and Nobina and describes the significant risks and uncertainty factors facing the Company and companies within Nobina.

Stockholm, 15 June 2015

Ragnar Norbäck
President and CEO

Financial calendar

Interim reports	
1 June–31 August	30 Sep 2015
Interim reports	
1 September–30 November	22 Dec 2015
Unaudited figures 2015/2016	27 April 2016
Annual general meeting 2015/2016	31 May 2016

Telephone conference

Nobina will present the interim report and answer questions during a telephone conference at 10.00 CET on Monday 15 June 2015. The presentation will be available on the website in connection with the telephone conference. Telephone number and web link for participants are available on the website, www.nobina.com.

Contact persons

For further information, please contact:

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Please note that this is an inhouse translation of the Swedish report, which is available on www.nobina.com

Report of Review of Interim Financial Information

Translation of the Swedish original

Introduction

We have reviewed the condensed interim financial information (interim report) of Nobina AB (publ) as of 31 May 2015 and the three-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 15 June 2015

PricewaterhouseCoopers AB

Michael Bengtsson
Authorized Public Accountant

THE NOBINA GROUP'S CONSOLIDATED INCOME STATEMENT IN BRIEF

SEK millions, unless otherwise stated	Quarter		Full Year
	Mar–May 2015	Mar–May 2014	Mar 2014 – Feb 2015
Net sales	1,995	1,886	7,549
Operating expenses			
Fuel, tyres and other consumables	–418	–427	–1,655
Other external expenses	–296	–287	–1,091
Personnel costs	–1,132	–982	–3,881
Capital losses from disposal on non-current assets	0	–4	–35
Depreciation/amortization of intangible and tangible non-current assets	–135	–127	–516
Operating profit	14	59	371
Profit from net financial items			
Financial income	1	3	8
Financial expenses, Note 1	–46	–78	–238
Net financial items	–45	–75	–230
Profit/loss before tax	–31	–16	141
Income tax	–2	–7	–47
PROFIT/LOSS FOR THE PERIOD	–33	–23	94
Profit/loss for the period attributable to the Parent Company shareholders	–33	–23	94
Earnings per share before dilution (SEK)	–0.5	–0.4	1.5
Earnings per share after dilution (SEK)	–0.5	–0.4	1.5
Average number of shares before dilution (thousands)	63,262	63,261	63,301
Average number shares after dilution (thousands)	63,262	63,261	63,301
Number of outstanding shares at end of period ¹⁾			
1) Aggregation of company share, reverse split 1:10, as decided at the general meeting of 27 May. Earnings per share have been adjusted for comparability.	63,355,682	632,611,285	633,234,125

The NOBINA GROUP'S CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK millions	Quarter		Full Year
	Mar–May 2015	Mar–May 2014	Mar 2014 – Feb 2015
Profit/loss for the period	–33	–23	94
Other comprehensive income			
Items not to be reclassified to profit or loss for the period			
Revaluation of defined-benefit pension plan	0	0	–19
Tax on items that will not be reclassified to profit or loss for the period	0	0	4
Items that can later be reclassified to profit or loss for the period			
Exchange-rate differences on foreign operations	–4	5	6
Other comprehensive income for the period, net after tax	–4	5	–9
Comprehensive income for the period	–37	–18	85
COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	–37	–18	85

THE NOBINA GROUP'S CONSOLIDATED BALANCE SHEET IN BRIEF

SEK millions	Quarter		Full Year
	31 May 2015	31 May 2014	28 Feb 2015
ASSETS			
Non-current assets			
Goodwill	586	590	588
Other intangible assets	14	21	16
Costs for improvement on third-party property	20	16	21
Equipment, tools, fixtures and fittings	64	50	61
Vehicles	4,238	3,914	4,354
Deferred tax assets	92	112	88
Assets for pensions commitments	–	6	–
Total non-current assets	5,014	4,709	5,128
Current assets			
Inventories	47	46	49
Trade receivables	518	475	519
Other current receivables	80	72	76
Deferred expenses and accrued income	286	259	236
Restricted bank accounts	106	607	115
Cash and cash equivalents	413	198	453
Total current assets	1,450	1,657	1,448
TOTAL ASSETS	6,464	6,366	6,576
EQUITY AND LIABILITIES			
Equity attributable to Parent Company Shareholders	274	206	310
Non-current liabilities			
Borrowing, Note 1	3,110	3,443	3,765
Deferred tax liabilities	88	70	82
Provision for pensions and similar commitments	34	25	36
Other provisions	37	38	39
Total non-current liabilities	3,269	3,576	3,922
Current liabilities			
Accounts payable	422	366	476
Borrowing, Note 1	1,166	1,048	634
Other current liabilities	164	155	174
Accrued expenses and deferred income	1,169	1,015	1,060
Total current liabilities	2,921	2,584	2,344
Total liabilities	6,190	6,160	6,266
TOTAL EQUITY AND LIABILITIES	6,464	6,366	6,576

THE NOBINA GROUP'S CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN BRIEF

<i>SEK millions</i>	<i>Share capital</i>	<i>Other contributed capital</i>	<i>Translation differences</i>	<i>Losses brought forward</i>	<i>Total equity attributable to Parent Company shareholders</i>
Opening equity per 1 March 2014	228	2,488	22	-2,514	224
Profit/loss of the period	-	-	-	-23	-23
Other comprehensive income	-	-	5	-	5
Closing equity per 31 May 2014	228	2,488	27	-2,537	206
Profit/loss to the period	-	-	-	117	117
Other comprehensive income	-	-	1	-15	-14
Transactions with owners					
Payment of issued shares to senior executives	0	1	-	-	1
Closing equity per 28 February 2015	228	2,489	28	-2,435	310
Opening equity per 1 March 2015	228	2,489	28	-2,435	310
Profit/loss for the period	-	-	-	-33	-33
Other comprehensive income	-	-	-4	-	-4
Transactions with owners					
Payment of issued shares to senior executives	0	1	-	-	1
Closing equity per 31 May 2015	228	2,490	24	-2,468	274

There are no holdings without controlling influence.

THE NOBINA GROUP'S CONSOLIDATED CASH FLOW STATEMENT IN BRIEF

SEK millions	Quarter		Full Year
	Mar–May 2015	Mar–May 2014	Mar 2014 – Feb 2015
Cash flow from operations			
Profit/loss after financial items	–31	–16	141
Adjustment for non-cash items	183	202	761
Cash flow from operations before changes in working capital	152	186	902
Cash flow from changes in working capital			
Change in inventories	2	6	4
Changes in operating receivables	–54	–119	–142
Changes in operating liabilities	56	23	197
Total change in working capital	4	–90	59
Received interest income	–	3	4
Tax paid	–	–	–1
Cash flow from operations	156	99	964
Cash flow from investing activities			
Change in restricted bank accounts	9	–450	41
Investments in intangible and tangible non-current assets excluding financial leasing	–16	–29	–295
Divestment of intangible and tangible non-current assets	3	1	41
Cash flow from investing activities	–4	–478	–213
Cash flow from financing activities			
Repayment by instalment of financial leasing liability	–143	–129	–546
Repayment by instalment of bond loan and other external loans	–6	–	–485
New issue of shares to senior executive	1	–	1
New borrowing, including payment with old bonds (SEK 67 million)	–	483	483
New borrowing, other external loans	18	–	168
Borrowing expenses, paid	–	–15	–18
Costs related to IPO-process, paid	–5	–	–
Interest paid	–55	–73	–213
Cash flow from financing activities	–190	266	–610
Cash flow for the period	–38	–113	141
Cash and cash equivalents at the beginning of period	453	309	309
Cash flow for the period	–38	–113	141
Exchange rate difference	–2	2	3
Cash and cash equivalents at the end of period	413	198	453

THE PARENT COMPANY'S INCOME STATEMENT IN BRIEF

SEK millions	Quarter		Full Year
	Mar–May 2015	Mar–May 2014	Mar 2014 – Feb 2015
Net sales	10	14	49
Operating expenses			
Other external expenses	-42	-6	-20
Personnel costs	-75	-8	-37
Capital losses from disposals of non-current assets	-	-	-
Depreciation/amortization of intangible and tangible non-current assets	-	-	-
Operating profit /loss	-107	0	-8
Profit from participations in Group companies	-	-	41
Financial income	5	9	37
Financial expenses	-25	-	-2
Net financial items	-20	9	76
Profit/loss before tax	-127	9	68
Income tax	-	-	40
PROFIT/LOSS FOR THE PERIOD	-127	9	108

There are no items attributable to other comprehensive income, other comprehensive income not reported.

THE PARENT COMPANY'S BALANCE SHEET IN BRIEF

SEK millions	Quarter		Full Year
	31 May 2015	31 May 2014	28 Feb 2015
ASSETS			
Non-current assets			
Other intangible assets	–	2	–
Equipment, tools, fixtures and fittings	–	–	–
Participations in Group companies	3,695	1,974	3,695
Deferred tax assets	40	–	40
Receivables from Group companies	114	435	114
Total non-current assets	3,849	2,411	3,849
Current assets			
Receivables from Group companies	101	185	226
Other current assets	2	1	–
Deferred expenses and accrued income	45	6	8
Restricted bank accounts	25	52	25
Cash and cash equivalents	–	–	–
Total current assets	173	244	259
TOTAL ASSETS	4,022	2,655	4,108
Equity and liabilities			
Equity attributable to Parent Company shareholders	2,587	2,613	2,713
Non-current liabilities			
Liabilities to Group companies	1,260	–	1,362
Provision for pensions and similar commitments	9	7	7
Total non-current liabilities	1,269	7	1,369
Current liabilities			
Accounts payable	12	5	5
Liabilities to Group companies	24	19	10
Other current liabilities	3	3	2
Accrued expenses and deferred income	127	8	9
Total current liabilities	166	35	26
Total liabilities	1,435	42	1,395
TOTAL EQUITY AND LIABILITIES	4,022	2,655	4,108

THE PARENT COMPANY'S CHANGES IN EQUITY IN BRIEF

<i>SEK millions</i>	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Share premium reserve</i>	<i>Retained earnings</i>	<i>Profit/loss for the period</i>	<i>Total equity</i>
Opening equity per 1 March 2014	228	1	612	1,712	51	2,604
Transfer of preceding year's profit/loss	–	–	–	51	–51	–
Profit/loss for the period	–	–	–	–	9	9
Closing equity per 31 May 2014	228	1	612	1,763	9	2,613
Profit/loss for the period	–	–	–	–	99	99
Transactions with owners						
Payment of issued shares to senior executives	–	–	1	–	–	1
Closing equity per 28 February 2015	228	1	613	1,763	108	2,713
Opening equity per 1 March 2015	228	1	613	1,763	108	2,713
Transfer of preceding year's profit/loss	–	–	–	108	–108	–
Profit/loss for the period	–	–	–	–	–127	–127
Transactions with owners						
Payments of issued shares to senior executives	0	1	–	–	–	1
Closing equity per 31 May 2015	228	2	613	1,871	–127	2,587

There are no items attributable to other comprehensive income, other comprehensive income not reported.

NOTE 1. FINANCING

<i>SEK millions, unless otherwise stated</i>	Quarter		Full Year
	<i>Mar–May 2015</i>	<i>Mar–May 2014</i>	<i>Mar 2014–Feb 2015</i>
Operational leasing agreements, buses			
Nominal value of future minimum leasing fees, buses	268	362	285
Present value of future minimum leasing fees, buses	256	331	268
Number of operationally leased buses	443	733	480
Operational leasing fees for the period	16	30	97
Borrowing – bond loan and other liabilities			
Bond loan and other loans	728	1,036	716
Financial leasing liabilities	3,563	3,470	3,699
Distribution over time of financial costs	–15	–15	–16
Total	4,276	4,491	4,399
Of which short-term repayment part of the Group's borrowing	1,166	1,048	634
Of which long-term repayment part of borrowing	3,110	3,443	3,765
Sum, total liabilities	4,276	4,491	4,399
Interest expenses and similar profit/loss items			
Interest expenses, financial leasing	–31	–36	–144
Interest expenses, bond loan and other external loans	–14	–44	–89
Other financial expenses	–2	–3	–6
Realised and non-realised exchange rate gains and losses, net	1	5	1
Total	–46	–78	–238

KEY RATIOS INFORMATION

Key ratios information, the past five quarters

Key ratios, Nobina in SEK millions, unless otherwise stated	2014/15				2015/2016	
	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Q1</i>	<i>Q1 adjusted¹⁾</i>
Net sales for the period						
Regional traffic	1,819	1,723	1,880	1,884	1,927	–
Interregional traffic	67	92	63	61	68	–
Operating profit/loss for the period						
Regional traffic	74	107	168	54	112	127
Interregional traffic	–1	13	–1	–2	–3	1
Profit/loss before tax for the period	–16	61	106	–10	–31	61
Profit/loss for the period	–23	51	77	–11	–33	59
Cash flow for the period	–113	–107	174	187	–38	–
Cash and cash equivalents	198	92	265	453	413	–
Equity ratio, %	3.2	4.2	5.2	4.7	4.3	–
EBITDA	190	241	301	190	149	241
EBITDA margin, %	10.1	13.3	15.5	9.8	7.5	12,1
EBITDAR	220	275	323	201	165	257
EBITDAR margin, %	11.7	15.2	16.6	10.3	8.3	12,9
Equity	206	258	328	310	274	–
Equity/ordinary shares, SEK	3.3	4.1	5.2	4.9	4.3	–
Number of buses	3,345	3,365	3,327	3,327	3,323	–
Estimated full-time positions	6,803	7,681	7,773	7,603	8,054	–

1) Adjusted with items affecting comparability amounted SEK 92 million, related to IPO-introduction, SEK 37 million, and management incentive programme, SEK 55 million.

GLOSSARY

Airport transfers – Trips that enable connections to and from airports.

Bid – A traffic company's offer in a tendering process.

Change prices – How much compensation changes per bus hour or kilometres within the framework of the free volume in a contract.

City transport – Transport in a densely populated area.

Client – Nobina's client being the contractual counterpart for tendered traffic contracts, also called a PTA.

Concession – Allocated right to uphold a monopoly in a geographic area and which comprises all rights to provide public transport. In Sweden, since the public transport authority reform in the 1980s, the state allocates concessions to clients (municipalities and county councils), which in turn provide public transport services through contracts with traffic companies. These contracts are tendered in accordance with the Swedish Public Tendering Act.

Concessions contract – A form of contract between a traffic company and a client (municipality/county council) that was typical prior to the public transport authority reform and which, in parts, continues for a transitional period. Under these contracts, the traffic company undertakes all aspects of the transport assignment, including the sale of services to passengers.

EURO 1–EURO 6, EEV – Various generations of emission classes for diesel engines.

Express route – A longer route on main roads that provides faster transport through several counties without several stops.

Free volume – The client's (PTA's) right to change the production volume within the framework of the contract.

Incentive contract – Normally a production contract that contains, to a larger or smaller degree, a compensation component that is variable and depends on the number of passengers.

Interregional transport – Nobina's segment for transport services conducted completely on its own merits without restrictions or subsidies from authorities.

Indexation – Adjustment of the contract-based remuneration in accordance with a basket of weighted and predetermined indexes intended to represent important cost elements for the traffic companies, such as salaries, fuel and maintenance, and which occurs at predetermined intervals.

Local transport – Transport in connection with densely populated areas.

Production contract – A contract in which the traffic company's revenues comprise fixed remuneration for production costs based on a predetermined production, with route network, timetable and a number of other requirements as the base. Compensation is based on the number of hours, kilometres, buses or a combination of these.

Public transport – Transport services provided for the public in which people travel together.

Public Transport Authority (PTA) – A municipality or county council allocated concessions by the government to provide public transport through public tendering of services from traffic companies.

Public transport authority reform – In conjunction with the public transport authority reform in the 1980s, the government took over the right to allocate concessions from the municipalities and county councils. Previously, municipalities and county councils allocated concessions to traffic companies; today, the state allocates concessions to municipalities and county councils (clients), which in turn sign contracts with traffic companies for the provision of public transport services. These contracts are tendered in accordance with the Public Tendering Act.

Regional traffic – Nobina's segment for transport services tendered from a public client.

Regional transport – Transport outside and between built-up areas in a county.

Seat kilometres – Measure of the service provided. The number of seats in a bus multiplied by the bus's driving distance in kilometres.

Subcontractor – A party assigned by the traffic company to assist in the provision of transport services.

Traffic company – A company that provides transport services in accordance with a given contract with a client.

Traffic contract – A publicly tendered contract for the provision of transport services between a traffic company and a client. The duration of the contract is typically five to ten years, with the option of extending for an additional one or two years. It is based on either a production or an incentive contract.

Traffic planning – Planning of use of resources (vehicle and driver) to conduct transport services in the most efficient manner possible in accordance with the traffic assignment.

DEFINITIONS

Average number of employees – The number of hours paid divided by normal working hours for a full-time employee.

Degree of utilization – Number of sold passenger kilometres divided by driven kilometres.

Earnings per share – Profit for the year adjusted for dividends on preference shares divided by the average weighted number of ordinary shares.

Earnings per share after full dilution – Profit for the year adjusted for dividends of preference shares and potential ordinary shares divided by the average number of ordinary shares.

EBIT – Operating profit before net financial items and taxes.

EBITDA – Operating profit before net financial items, tax, depreciation, amortization, earnings from sale of fixed assets.

EBITDA-margin – EBITDA in relation to net sales.

EBITDAR – Operating profit before net financial items, tax, depreciation, amortization, earnings from sale of fixed assets and operating leasing expenses for buses.

EBITDAR-margin – EBITDAR in relation to net sales.

EBT – Income before tax.

Equity/assets ratio – Shareholders' equity as a percentage of total assets at the end of the fiscal year.

Net debt/EBITDA – interest-bearing liabilities (external loans, pension liabilities and buses financed through financial leasing) deduction with cash and cash equivalents and restricted bank accounts in relation to average of four quarters of EBITDA.

Net investments – Acquisition cost of investments in fixed assets less sales value of divested fixed assets.

Reallocation Rate – Buses allocated to a new contract during the year/Total number of buses.

Renewal Rate – All won tenders/All own announced tenders.

Retention Rate – Defended tenders/Own announced tenders

Yield – Revenue per driven kilometre.

THIS IS NOBINA

Our role is to:

HELP MAKE SOCIETY MORE MOBILE

Our offering to customers:

SIMPLIFY EVERYDAY TRAVEL

We deliver that by:

BEING FRIENDLY, CREATING SIMPLE SOLUTIONS, BEING AFFORDABLE

We succeed, by living up to our values:

OUR CUSTOMERS' NEEDS IS OUR REASON FOR BEING

We treat our customers with kindness and respect and are sensitive to their needs. We keep our promises, develop priceworthy solutions and simplify for our customers.

IN ALL WE DO, WE STRIVE TO DEVELOP

We achieve our goals and deliver results. We are efficient with resources and the quality we promise is always our minimum standard. Being goal-oriented and having systematic follow-up is vital for constantly improving our services as well as our company.

WE RESPECT EACH OTHER

Everyone is of equal importance, and is treated with kindness and respect. Together we create a secure and creative work environment that stimulates initiatives and suggestions for improvements. We take action

against any lack of respect towards our customers, towards each other and towards the company.

WE FOSTER SOLID LEADERSHIP

Our demands and expectations on our leaders and co-workers are well defined. We always prioritise the interests of our customers and of the company before our own. Everyone receives feedback on their performance and we show our appreciation for their achievements. We always honour confidentiality.

WE CARE

We take an active responsibility for the environment and for our society. We encourage personal health and development. We act according to laws and regulations. We are engaged and we care for each other, for our customers and for the world around us.

We do all of that because we have a vision:

EVERYBODY WANTS TO TRAVEL WITH US