

Q1 Q2 Q3 **Q4**



1 MARCH 2013–28 FEBRUARY 2014

## FOURTH QUARTER IN BRIEF

- Net sales amounted to SEK 1,822 million (1,802), which is an increase of 1.1 %.
- Operating profit amounted to SEK -21 million (-50), which is the highest historically, to date.
- Earnings after tax amounted to SEK -27 million (-51), and earning per share amounted to SEK -165,65 (-324,60).
- Cash flow from operations amounted to SEK 244 million (45).
- Investments, mainly consisting of the acquisition of buses, amounted to SEK 0 million (3).

## SIGNIFICANT EVENTS

- In Denmark, Nobina won a tender resulting in renewed and expanded confidence as regards the traffic in Copenhagen and North Zealand. The contract for a total of 112 buses stretches initially over six years at an estimated value of nearly SEK 1.8 billion.
- Nobina's traffic in Dalarna was tendered during 2013, but as the agreed upon industry terms and conditions had not been complied with, Nobina appealed the procurement process. The client subsequently undertook a direct tender, which resulted in that Nobina's traffic will be terminated in June and the buses in this region will be re-allocated within the framework of other traffic contracts.

## KEY RATIOS

Group (SEK million, unless otherwise stated)	Quarter		Full year	
	Dec 13–Feb 14	Dec 12–Feb 13	Mar 13–Feb 14	Mar 12–Feb 13
Sales	1,822	1,802	7,300	7,263
Operating profit	-21	-50	80	-1
Earnings after financial net	15	-51	144	30
Earnings after tax	-27	-51	102	130
Cash flow	244	45	214	54
Cash and cash equivalents	308	95	308	95
Equity ratio, %	15.2	13.9	15.2	13.9
Shareholders' equity	459	376	459	376
Number of buses	3,359	3,455	3,359	3,455
Estimated full time positions	7,464	7,807	7,464	7,807

## CEO'S COMMENTS

"The earnings trend was stable in the fourth quarter and cash flow improved significantly. All of our operations developed in the right direction and Swebus achieved a positive result. We evidenced that we can win a tender in Copenhagen without deviating from profitability or quality. This provides us with positive grounds for sound Danish operations. Seen over an entire year, the outcome of the tenders was very successful as Nobina won 53 % of the volume for which we provided a bid. During the forthcoming financial year we will be less exposed to terminating contracts and, given a continued high level of procurement, we see good possibilities for increased market shares. At the same time, this will be a year characterised by an extensive turnover in contracts as a large number of older traffic contracts end and new ones will be started. In the short term, this implies higher costs and investments, and in the long term good premises for continued profitable growth."

*Ragnar Norbäck, President and CEO*

**EVERYONE WANTS TO TRAVEL WITH US**

NOBINA EUROPE AB  
REG. NO. 556031-8569

## NOBINA IN BRIEF

Nobina is the Nordic Region's largest player within the area of public transport by bus and offers reliable and environmentally friendly traffic solutions which simplify daily travel. The operations include contract-based regional travel in Sweden, Norway, Finland and inter-regional traffic under own management through Swebus.

The Nobina Group reported slightly more than SEK 7 billion in revenues during financial year 2013/2014. With approximately 280 million passenger journeys and a bus fleet of 3,500, Nobina is the leading player in the Nordic market. More information can be found on [www.nobina.com](http://www.nobina.com)

## MARKET OVERVIEW

In the Nordic Region, public transport is central to sustainable societal development and there is a stable long-term growth in the demand for public transport. This demand is driven by a growing need of mobility in society, continuous urbanisation and the wish by passengers and politicians to decrease negative environmental effects. Within Sweden there is also an adopted goal of doubling travel by public transport by 2020.

Traffic authorities – politically governed, publically owned clients are responsible for the provision of traffic services in their respective regions. The Nordic model for the procurement of public transport is well established in Sweden and Denmark and is gradually gaining ground as a result of further deregulation in Norway and new legislation in Finland. During the year, there has been a high level of activity in the Nordic market with a large volume of procurements. Furthermore, during 2013, Nobina was successful in winning 53 percent of the procurements in which the company participated.

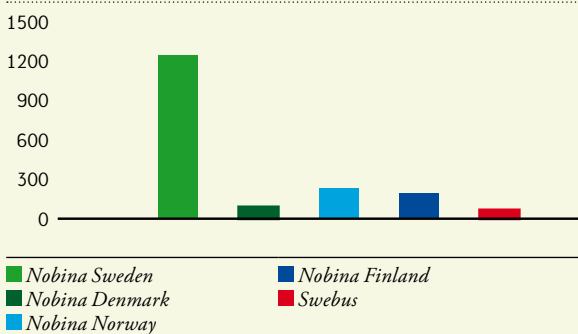
In pace with a greater number of Finnish cities choosing to procure their public bus traffic, it is expected that activity will successively increase in that market, but to

date the pace has been lower than expected. The outcome of the first Finnish procurements shows a requirement that the newly established traffic authorities in charge of procurements further develop their methods, as the terms and conditions are deficient and, as a consequence, these negotiations have seen only a few tenderers.

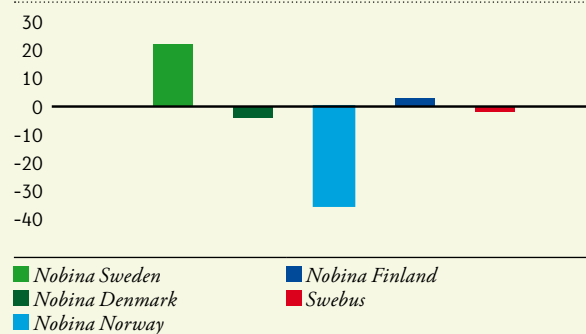
On the other hand, the procurement model doesn't always function in practice. Dalatrafik's procurement failed due to the fact that it did not comply with agreed-upon industry terms and conditions which is the reason Nobina has appealed this procurement. The client has now executed direct procurement implying a change in traffic operator.

A number of the market's actors have a state-ownership structure which can have an effect on the commerciality and, primarily, on the pricing of services. Currently, the EU is addressing issues pertaining to the potentially unlawful state support provided to loss-making municipal transportation companies in Norway and Finland.

**SHARE OF NET SALES BY BUSINESS AREA (Q4 2013/2014), SEK million**



**SHARE OF OPERATING PROFIT BY BUSINESS AREA (Q4 2013/2014), SEK million**



## FINANCIAL DEVELOPMENT OF THE GROUP

### FOURTH QUARTER (1 December 2013–28 February 2014)

#### SALES

Group sales for the fourth quarter amounted to SEK 1,822 million (1,802), which is an increase of 1.1 percent compared with the equivalent period last year. Net sales were impacted positively by increased variable revenues in existing contracts and by the indexing of revenues.

#### EARNINGS

Fourth quarter earnings continued to be stable. Operating profit amounted to SEK -21 million (-50), of which SEK 14 million (-34) referred to regional traffic and SEK -2 million (-6) to inter-regional traffic. Operating profit was positively impacted by increased volumes and positive indexation. Contract migration from older to new contracts has resulted in a renewed contract portfolio during recent years. A young contract portfolio implies, in its turn, extensive investments and proportionally lower operating profit as the new contracts have a significantly lower operating profit during the introductory phase compared with the contract period's final phase. Central costs are lower as a result of efficiency gains in IT operations.

Earnings before tax were higher compared with same period last year and amounted to SEK -27 million (-51).

#### TAXES

Deferred taxes decreased by SEK -42 million (0) during the fourth quarter.

### ENTIRE YEAR (1 March 2013–28 February 2014)

#### SALES

Group sales during the period amounted to SEK 7,300 million (7,263), which was an increase of 0.5 percent compared with the equivalent period last year. Net sales were positively impacted by increased variable revenues in existing contracts and by the indexation of revenues.

#### EARNINGS

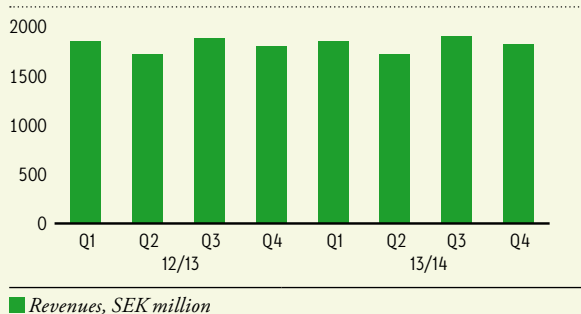
Group earnings during the period continued to be stable. Operating profit represented, in historical terms, the highest outcome ever and amounted to SEK 80 million (-1), of which SEK 113 million (40) referred to regional traffic and SEK 0 million (-3) to inter-regional traffic. Operating profit was impacted positively by increased volume and positive indexation. Contract migration from older to new contracts has resulted in a renewed contract portfolio during recent years. A young contract portfolio implies, in its turn, extensive investments and proportionally lower operating profit as the new contracts have a significantly lower operating profit during the introductory phase compared with the contract period's final phase. Central costs are lower as a result of efficiency gains in IT operations.

Earnings before tax were higher compared with the previous year and amounted to SEK 102 million (130).

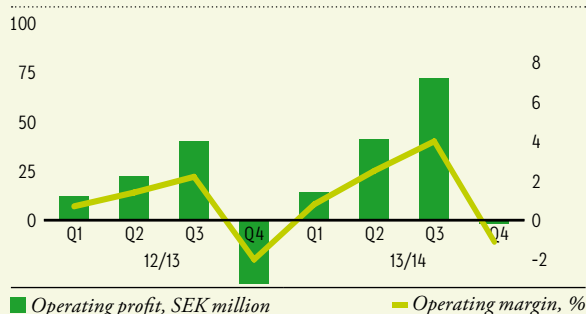
#### TAXES

Deferred taxes decreased by SEK -41 million (100) during the period. Information regarding deferred tax assets, their book value, accumulated tax deficits carried forward which can be utilised in the future, and temporary differences which have arisen on various assets and liabilities, are reported in Note 11 in the Annual Report 2012/2013.

#### REVENUES



#### OPERATING PROFIT AND MARGIN



## FINANCIAL POSITION

Cash and cash equivalents amounted to SEK 309 million (95) at the end of the period. In addition, the Group had blocked funds of SEK 83 million (98), primarily as security for tenders and established traffic contracts. The Group has an accounts receivable facility with a finance company totalling SEK 100 million, of which SEK 17 million was utilised at the end of the period. A bank credit facility of SEK 50 million was established during last year of which SEK 0 million was utilised as per 28 February 2014.

Equity amounted to SEK 459 million (376). The equity/assets ratio was 15.2 percent at the end of the quarter, compared with 13.9 percent in the same period last year.

In May and October, Nobina Europe made their first interest payments of a total of SEK 60 million for the five year SEK bond listed on NASDAQ OMX in December 2012. The value of the bond was SEK 550 million and it incurs an annual coupon rate of 11 percent. There is the possibility of repurchasing the bond at a nominal amount during the entire term until maturity date

## INVESTMENTS

The Group's cash investments during the period refers to purchases of other non-current assets and the purchase of buses including associated parts totalling SEK 26 million (40). Through Nobina Fleet AB, the Group has signed groupinternal operational leasing agreements totalling SEK 252 million (1,129) in acquisition value.

During the period, the Nobina Group has sold buses and other non-current assets for a total value of SEK 4 million (16). The sales imply a capital loss of SEK -3 million (-4).

## CASH FLOW

Cash flow from ongoing operations amounted to SEK 158 million (234) before, and SEK 150 million (205) after net investments.

Revenues (SEK million)	Quarter		Full year	
	Dec 13–Feb 14	Dec 12–Feb 13	Mar 13–Feb 14	Mar 12–Feb 13
<b>Revenues per segment</b>				
Nobina Sweden	1,249	1,201	4,858	4,838
Nobina Denmark	89	85	346	339
Nobina Norway	233	245	995	947
Nobina Finland	191	198	802	802
Elimination of sales to interregional traffic	-19	-8	-40	-33
<b>Total regional traffic</b>	<b>1,743</b>	<b>1,721</b>	<b>6,961</b>	<b>6,893</b>
Swebus	66	77	316	355
Elimination of sales to regional traffic	-	-	-	-
<b>Total interregional traffic</b>	<b>66</b>	<b>77</b>	<b>316</b>	<b>355</b>
<b>Central functions</b>	<b>13</b>	<b>4</b>	<b>21</b>	<b>15</b>
<b>Total revenues</b>	<b>1,822</b>	<b>1,802</b>	<b>7,298</b>	<b>7,263</b>

Operating profit (SEK million)	Quarter		Full year	
	Dec 13–Feb 14	Dec 12–Feb 13	Mar 13–Feb 14	Mar 12–Feb 13
<b>Operating profit per segment</b>				
Nobina Sweden	22	-	165	133
Nobina Denmark	-4	-7	-19	-28
Nobina Norway	-35	-31	-55	-78
Nobina Finland	3	4	22	13
<b>Total regional traffic</b>	<b>-14</b>	<b>-34</b>	<b>113</b>	<b>40</b>
Swebus	-2	-6	-	-3
<b>Total interregional traffic</b>	<b>-2</b>	<b>-6</b>	<b>-</b>	<b>-3</b>
Central functions and other items	-5	-10	-33	-38
<b>Total operating profit</b>	<b>-21</b>	<b>-50</b>	<b>80</b>	<b>-1</b>

Explanation items for revenue and earnings growth (SEK million)	Revenues and earnings		
	Revenues	EBIT	EBT
<b>Period</b>			
<b>Mar 2012–Feb 2013</b>	<b>7,263</b>	<b>-1</b>	<b>30</b>
Price and volume	-72	55	55
Contract changes	109	-20	-20
Indexation	18	37	37
Business efficiency		-15	-15
One-off costs		0	0
Fleet finance and utilization		-8	-8
Other	-18	32	32
Financial net		-	33
<b>Period</b>			
<b>Mar 2013–Feb 2014</b>	<b>7,300</b>	<b>80</b>	<b>144</b>

- **Higher prices and volumes** represent changes in executed traffic volumes and changes in prices for such executed traffic with consequent impacts on sales and earnings.
- **Contract change** illustrate the effect on sales and earnings of changes in the contract portfolio in the form of terminated, old contracts and initiation of new contracts
- **Indexing** shows the effect of price adjustments on sales and earnings as regards compensation for underlying cost inflation in the operation of traffic within the framework of procured agreements.
- **Operating efficiency** shows the effect on earnings of efficiency development regarding personnel expenses, maintenance, damages, etc
- **Fleet finance and use** shows the effect on earnings of changes in financing terms and conditions and efficiency of vehicle utilisation.
- In addition, the effects on current sales and earnings of certain specific and other factors are presented.

## BUSINESS AREA REGIONAL TRAFFIC

The development of Nobina's regional operations continued to be stable during the fourth quarter. Sales amounted to SEK 1,743 million (1,721) which was an increase of 1.3 per cent. Operating profit increased to SEK -14 million (-34). Sales were impacted positively by a higher portion of variable compensation and cost indexing.

Nobina won procurements during the year, renewed and expanded contracts, for a total estimated value of SEK 14,100 million for 833 buses. During the year tenders were made for a total of 1,562 buses at a total contract value of approximately SEK 31,000 million.

**Nobina Sweden's** win of the procurement with Värmlandstrafiken in the third quarter has been appealed to the second court and leave to appeal is expected to be announced. Nobina previously won the appeal regarding Dalarna in the first court of appeal and the appeal process

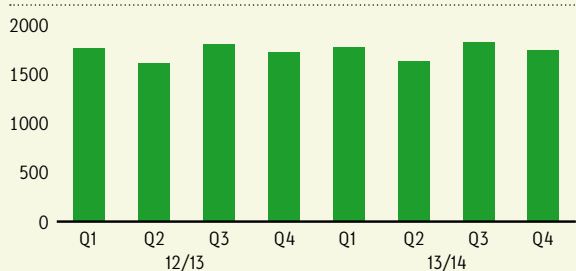
now continues in the next court. This direct procurement undertaken by the client, for the period up until the appeal process is finalised, implies a change in traffic operator. This implies that the buses operating in this region must be reallocated within the framework of existing and new contracts.

The appeal regarding Nobina's win in Borås has been granted leave to appeal in the second court whilst the appeal regarding Nobina's win in Northwestern Skåne is expected to be granted leave of appeal.

Forthcoming, major procurements refer to school traffic in Värmland and this involves 140 buses.

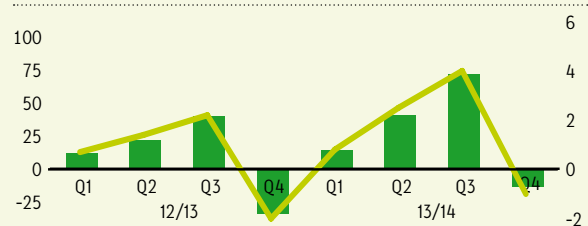
**Nobina Finland** developed positively during the quarter. New contracts with lower costs for maintenance and damages compensated the effects of negative indexing.

### REVENUES



■ Revenues, SEK million

### OPERATING PROFIT AND MARGIN



■ Operating profit, SEK million

— Operating margin, %

### TENDER UPDATE PER COUNTRY YTD

(Number of buses)	Tenders during the period			Traffic changes during the period	
	Submitted	Won	Not won	Started	Ended
Sweden	1,068	664	404	115	102
Norway	106	0	106	0	0
Finland	211	69	142	132	88
Denmark	177	100	77	0	0
<b>Total regional traffic</b>	<b>1,562</b>	<b>833</b>	<b>729</b>	<b>247</b>	<b>190</b>

### PLANNED TRAFFIC STARTS, COMING 12 MONTHS

#### Traffic starts March 2014 – February 2015

Tender outcome per country	PTA	Contract type	Number of years	Traffic start	Number of buses	Value (SEK million)
Sweden	LT Västernorrland	City/Region	8	June 2014	76	1,370
	LT Västernorrland	City/Region	8	June 2014	15	260
	Skånetrafiken	City	10	June 2014	96	2,440
	Skånetrafiken	City	5	June 2014	13	260
	Västtrafik	City	8	June 2014	185	2,740
	Skånetrafiken	City	10	August 2014	16	450
	Skånetrafiken	Region	8	December 2014	22	640
Finland	Värmlandstrafiken	City/Region	10	December 2014	149	3,120
	HSL	City	7	January 2015	20	430
Denmark	Movia	City	6	December 2014	100	1670
<b>Sum Regional traffic</b>					<b>692</b>	<b>13,380</b>

**Nobina Norway** reported a positive result, due to improved operational controls and efficiency in the operation of all nine traffic contracts. The development of personnel costs was positive. A traffic contract showing a loss comes to an end during the autumn of 2014 while the Tromsø contract shows signs of improvement, and continued discussions are underway with the traffic authorities to solve the identified problems.

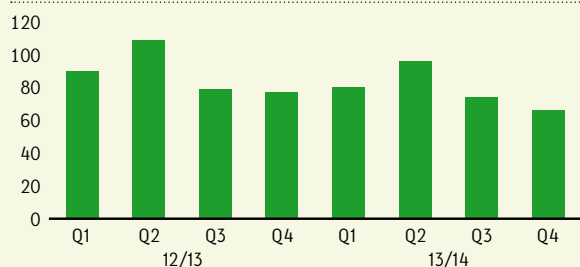
**Nobina Denmark** received renewed and expanded confidence for the traffic in Copenhagen and North Zealand. The contract for a total of 112 buses extends initially over six years at an estimated value of close to SEK 1.8 billion. The Danish operations continue to develop positively as a result of increased volumes and indexing.

## BUSINESS AREA INTERREGIONAL TRAFFIC

Inter-regional traffic accounts for 4.3 percent of Nobina's operations and is undertaken under the Swebus brand. Swebus, which for a long period of time has had low volumes and has been exposed to an intensive price competition, continued to develop positively during the fourth quarter. This was primarily an effect of the decision to discontinue the airport traffic to Arlanda, as of 19 August 2013, and to review the route structure through increased capacity for routes with a high volume and to shut down routes with low volume.

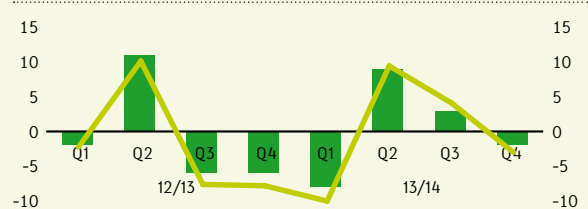
Sales amounted to SEK 316 million (355), which was a decrease of 11 percent. Operating profit amounted to SEK 0 million (-3).

### REVENUES



■ Revenues, SEK million

### OPERATING PROFIT AND MARGIN



■ Operating profit, SEK million

— Operating margin, %

### Trend interregional traffic (Swebus)

	Quarter		Full year	
	Dec 13–Feb 14	Dec 12–Feb 13	Mar 13–Feb 14	Mar 12–Feb 13
Number of passengers	340,322	422,276	1,754,857	1,968,466
Number of driven km	2,889,269	3,696,829	13,907,670	16,472,496
Load factor, %	44	42	48	44
Average revenues/km (SEK)	22.7	20.4	22.7	21.5
Average revenues/passenger (SEK)	193	178	169	173

## OTHER INFORMATION

### PERSONNEL

Nobina Group had, on average 7,464 (7,807) employees. The Nobina Group applies a collective agreement in accordance with the unions in place in the various countries in which the Company undertakes operations. Nobina has well-established principles and traditions for negotiations regarding working hours, terms of compensation, information and co-operation.

### PARENT COMPANY

The Parent Company has 94 (56) employees participating in the overall management of the Group, and joint administration. The Parent Company's sales, which are exclusively comprised of internal invoicing services, amounted during the period to SEK 48 million (55). The Parent Company's earnings before taxes amounted to SEK 102 million (-138) and cash and cash equivalents at the end of the period amounted to SEK 278 million (-), of which SEK 45 million (-) referred to funds in blocked bank accounts. Investments in intangible and tangible non-current assets amounted to SEK 0 million (1). Equity in the Parent Company amounted to SEK 291 million (189).

### TRANSACTIONS WITH CLOSELY RELATED PARTIES

No significant transactions with closely related parties took place during the period.

### SEASONAL VARIATIONS

The sales and earnings trends vary between quarters for the regional and inter-regional operations. For the regional operations the third quarter is the strongest due to a higher volume of traffic, a larger number of weekdays and a high level of travel activity in society, while the second quarter is the weakest due to the lower volume of traffic during the holiday period.

For the interregional operations, the trend is different as the second quarter is the strongest due to a higher number of travellers during the holiday period, while the third quarter is the weakest due to a lower number of holiday days, resulting in fewer passengers.

### RISKS AND FACTORS OF UNCERTAINTY

The Nobina Group is exposed to interest rate risks in relation to the Company's 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. During the quarter, the Group had no interest rate hedging.

The Group bears a refinancing risk when the existing bond of SEK 550 million matures on October 31, 2017.

The Nobina Group is exposed to exchange rate fluctuations on EUR 3.7 million of the bond loan which is denominated in EUR. The Group is also exposed to exchange rate risks in the translation of the subsidiaries' balance sheets and income statements. 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 95 percent of consumption. There is no indexation of revenues within Inter-regional traffic. Increased fuel prices are, instead, compensated for through increased ticket prices if market conditions 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 5 million in the Group's fuel costs per financial year. As per 28 February, 2014 the Nobina Group had no outstanding diesel derivatives.

For more information regarding risks and uncertainty factors, see the corresponding section in Nobina's annual report 2013/2014.

### DISPUTES

Nobina Norge AS has had two outstanding disputes with Skyss regarding the contracts for Sunnhordaland and Nordhordaland amounting to NOK 31 million. The parties have settled on the basis of an agreement in which Nobina Norge has received NOK 18 million in compensation, with the remainder of the dispute to be settled by a court.

### TRADE IN NOBINA'S BOND

The trade in Nobina's bond, issued by Nobina Europe AB 2012 and listed on NASDAQ OMX in Stockholm, increased during the financial year 2013/14. The increased trading resulted in approximately two thirds of the bonds changing owners during the period, primarily to Nordic investors, which has also resulted in a streamlining of the ownership of Nobina AB as almost 70% of the bonds are now held by investors who are not shareholders.

### EVENTS AFTER THE END OF THE PERIOD

#### • Extraordinary general meeting and new Member of the Board

An extraordinary general meeting of shareholders in Nobina AB (publ) was held on the Tuesday of 4 March, 2014. The general meeting appointed Graham Oldroyd as Member of the Board for the period of time up until the end of the next annual general meeting of shareholders, nominated by Anchorage Capital, one of the major shareholders in the Company. The Board of Directors also consists of the Chairman, Jan Sjöqvist, and the Members of the Board John Allkins, Birgitta Kantola, and Gunnar Reitan. The general meeting of shareholders also decided on an adjustment on the fees of the Board. After this adjustment, compensation of SEK 900,000 is awarded to the Chairman of the Board and SEK 450,000 to the Members of the Board.



## ACCOUNTING PRINCIPLES

Nobina applies International Financial Reporting Standards (IFRS) as adopted by the EU, and RFR 1 "Complementary accounting rules for Groups".

In the first quarter of 2013/2014, the interim report was affected by the amendments to IAS 19 Employee Benefits. The most significant amendment to IAS 19 is the elimination of the "corridor method" for defined benefit pensions plans. As a result, historical accumulated actuarial gains and losses will lead to an increase in reported pension liabilities and a decrease in shareholders' equity. Future recalculations (including actuarial gains and losses) will not be accrued, but immediately impact shareholders' equity through Other comprehensive income. The accounting principles for defined benefit pension plans have been changed compared with the Group's accounting policies in the Annual Report 2012/2013, as well as previously published interim reports. The new policies impact the financial statements retroactively, and the opening balance per March 1, 2013 was restated. Furthermore, the comparative figures for the second quarter of 2012/2013 have been revised.

In other respects, Nobina applies the same accounting policies and calculation methods as in the annual report for 2012/2013, see "Company and accounting policies", 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, 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).

## ASSURANCE

The CEO hereby provides 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 the companies of the Group.

Stockholm, 25 April 2014

Ragnar Norbäck  
President and CEO

## AUDITOR'S REPORT

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

## TELEPHONE CONFERENCE

Nobina will present the interim report and reply to questions during a telephone conference on Friday, 25 April 2014 at 10.00 am CET. The presentation will be available on the website in conjunction with the telephone conference.

Telephone numbers for participants:

Sweden: +46 (0)8 5052 0110

UK: +44 (0) 20 7162 0077

Germany: +49 (0) 30726167224

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

## FINANCIAL CALENDAR

Annual General Meeting 2014	28 May 2014
Interim report 1 March–31 May	26 June 2014
Interim report 1 June–31 August	30 Sep 2014
Interim report 1 September–30 November	23 Dec 2014
Year-end report 2014/2015	24 april 2015

## CONTACTS

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

## CONSOLIDATED INCOME STATEMENT IN BRIEF

SEK million, unless otherwise stated	Quarter		Full year	
	Dec 13–Feb 14	Dec 12–Feb 13	Mar 13–Feb 14	Mar 12–Feb 13
<b>Net sales</b>	<b>1,822</b>	<b>1,802</b>	<b>7,300</b>	<b>7,263</b>
<b>OPERATING EXPENSES</b>				
Fuel, tires and other consumables	-429	-430	-1,642	-1,701
Other external expenses	-476	-510	-1,930	-1,972
Personnel expenses	-929	-902	-3,602	-3,533
Capital losses from the disposal of non-current assets	-	-	-3	-4
Depreciation/amortization and impairment of PPE and intangible assets	-9	-10	-43	-54
<b>OPERATING PROFIT</b>	<b>-21</b>	<b>-50</b>	<b>80</b>	<b>-1</b>
<b>PROFIT FROM NET FINANCIAL ITEMS</b>				
Profit/loss from associated companies	7	2	7	2
Financial income	63	41	196	167
Financial expenses, Note 2	-34	-44	-139	-138
<b>NET FINANCIAL ITEMS</b>	<b>36</b>	<b>-1</b>	<b>64</b>	<b>31</b>
<b>EARNINGS BEFORE TAX</b>	<b>15</b>	<b>-51</b>	<b>144</b>	<b>30</b>
Tax	-42	-	-42	100
<b>NET EARNINGS FOR THE PERIOD</b>	<b>-27</b>	<b>-51</b>	<b>102</b>	<b>130</b>
Earnings for the period attributable to the parent company's shareholders	-27	-51	102	130
Earnings per share before dilution (SEK)	-165.65	-324.60	639.20	807.80
Earnings per share after dilution (SEK)	-165.65	-324.60	639.20	807.80
Average number of shares before dilution	160,000	160,000	160,000	160,000
Average number of shares after dilution	160,000	160,000	160,000	160,000

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Quarter		Full year	
	Dec 13–Feb 14	Dec 12–Feb 13	Mar 13–Feb 14	Mar 12–Feb 13
<b>Net earnings for the period</b>	<b>-27</b>	<b>-51</b>	<b>102</b>	<b>130</b>
<b>Other comprehensive income</b>				
Remeasurements of defined benefits pension plan	-11	2	-11	7
Exchange rate differences on foreign operators	-	-5	-8	-4
<b>Other comprehensive income for the period, net after tax</b>	<b>-11</b>	<b>-3</b>	<b>-19</b>	<b>3</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-38</b>	<b>-54</b>	<b>83</b>	<b>133</b>

## CONSOLIDATED BALANCE SHEET IN SUMMARY

SEK million	Full year	
	Feb 28 2014	Feb 28 2013
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	128	134
Other intangible assets	1	1
Improvement expenditures on third-party property	16	21
Equipment, tools, fixtures and fittings	27	30
Vehicles	54	74
Non-current receivables from Group Company	1,421	1,261
Deferred tax assets	67	105
Pension assets	4	13
<b>Total non-current assets</b>	<b>1,718</b>	<b>1,639</b>
<b>Current assets</b>		
Inventories	53	44
Trade receivables	369	360
Receivables from Group Company	200	165
Other current receivables	71	74
Deferred expenses and accrued income	223	226
Restricted bank accounts	83	98
Cash and cash equivalents	308	95
<b>Total current assets</b>	<b>1,307</b>	<b>1,062</b>
<b>TOTAL ASSETS</b>	<b>3,025</b>	<b>2,701</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>459</b>	<b>376</b>
<b>Non-current liabilities</b>		
Borrowings, Note 2	525	518
Non-current liabilities to Group Companies, Note 2	339	339
Deferred tax liabilities	1	-
Provisions for pensions and similar obligations	21	26
Other provisions	38	45
<b>Total non-current liabilities</b>	<b>924</b>	<b>928</b>
<b>Current liabilities</b>		
Accounts payable	374	391
Liabilities to Group Companies	232	58
Other current liabilities	149	145
Accrued expenses and deferred income	887	803
<b>Total current liabilities</b>	<b>1,642</b>	<b>1,397</b>
<b>Total liabilities</b>	<b>2,566</b>	<b>2,325</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,025</b>	<b>2,701</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<i>SEK million</i>	<i>Share capital</i>	<i>Other contributed capital</i>	<i>Translation differences</i>	<i>Losses carried forward</i>	<i>Total equity before translation differences of IAS 19</i>	<i>Translation /result of IAS 19</i>	<i>Total equity after translation differences of IAS 19</i>
<b>Opening equity per March 1, 2012</b>	<b>16</b>	<b>-</b>	<b>30</b>	<b>31</b>	<b>77</b>	<b>-15</b>	<b>62</b>
Comprehensive income			-4	130	126	7	133
<b>Transactions with owners</b>							
Received shareholder's contribution/ Group	-	-	-	181	181	-	181
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181</b>	<b>181</b>	<b>-</b>	<b>181</b>
<b>Closing equity per Feb 28, 2013</b>	<b>16</b>	<b>-</b>	<b>26</b>	<b>342</b>	<b>384</b>	<b>-8</b>	<b>376</b>
Comprehensive income			-8	102	94	-11	83
<b>Closing equity per Feb 28, 2014</b>	<b>16</b>	<b>-</b>	<b>18</b>	<b>444</b>	<b>478</b>	<b>-19</b>	<b>459</b>

No non-controlling interests exist.

## CONSOLIDATED CASH FLOW STATEMENT

SEK million	Quarter		Full year	
	dec 13–feb 14	dec 12–feb 13	mars 13–feb 14	mars 12–feb 13
<b>Cash flow from operations</b>				
Earnings after financial items	15	-51	144	30
Adjustments for items not included in cash flow	19	22	-32	20
<b>Cash flow from operations before changes in working capital</b>	<b>34</b>	<b>-29</b>	<b>112</b>	<b>50</b>
<b>Cash flow from changes in working capital</b>				
Change in inventories	-6	-3	-9	7
Change in operating receivables	63	91	-23	64
Change in operating liabilities	123	47	64	107
<b>Total change in working capital</b>	<b>180</b>	<b>135</b>	<b>32</b>	<b>178</b>
Received interest income	3	1	14	6
Tax paid	-	-	-	-
<b>Cash flow from operations</b>	<b>217</b>	<b>107</b>	<b>158</b>	<b>234</b>
<b>Cash flow from investing activities</b>				
Change in restricted bank accounts	-7	-16	14	-5
Investments in land, vehicles, equipment tools fixtures and fittings, excl. financial leases	-	-3	-26	-40
Sales of buildings and land, vehicles, equipment tools fixtures and fittings	1	1	4	16
<b>Cash flow from investing activities</b>	<b>-6</b>	<b>-18</b>	<b>-8</b>	<b>-29</b>
<b>Cash flow from financing activities</b>				
Shareholders' contribution received/Group	2	-	2	181
Borrowings with Group companies	32	20	138	20
New borrowing	-	-	-	551
Amortization of loans	-	-	-	-733
Borrowing expenses	-	-	-	-34
Interest paid	-1	-64	-76	-136
<b>Cash flow from financing activities</b>	<b>33</b>	<b>-44</b>	<b>64</b>	<b>-151</b>
<b>Cash flow for the period</b>	<b>244</b>	<b>45</b>	<b>214</b>	<b>54</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>67</b>	<b>50</b>	<b>95</b>	<b>41</b>
Cash flow for the period	244	45	214	54
Translation difference	-3	-	-1	-
<b>Cash and cash equivalents at end of period</b>	<b>308</b>	<b>95</b>	<b>308</b>	<b>95</b>

**PARENT COMPANY'S INCOME STATEMENT IN BRIEF**

<i>SEK million</i>	<i>Quarter</i>		<i>Full year</i>	
	<i>Dec 13–Feb 14</i>	<i>Dec 12–Feb 13</i>	<i>Mar 13–Feb 14</i>	<i>Mar 12–Feb 13</i>
Other operating income	12	15	48	55
<b>OPERATING EXPENSES</b>				
Other external expenses	-6	-5	-24	-21
Personnel expenses	-7	-9	-26	-30
Capital losses from the disposal of non-current assets	-	-	-	-
Depreciation/amortization and impairment of PPE and intangible assets	-1	-1	-1	-2
<b>OPERATING PROFIT</b>	<b>-2</b>	<b>0</b>	<b>-3</b>	<b>2</b>
Earnings from participations in Group companies	76	-129	33	-204
Financial income	73	44	219	187
Financial expenses	-41	-40	-147	-123
<b>NET FINANCIAL ITEMS</b>	<b>108</b>	<b>-125</b>	<b>105</b>	<b>-140</b>
<b>EARNINGS BEFORE TAX</b>	<b>106</b>	<b>-125</b>	<b>102</b>	<b>-138</b>
Tax	-	-	-	-
<b>NET EARNINGS FOR THE PERIOD</b>	<b>106</b>	<b>-125</b>	<b>102</b>	<b>-138</b>

**REPORT OF THE PARENT COMPANY'S COMPREHENSIVE INCOME**

<i>SEK million</i>	<i>Quarter</i>		<i>Full year</i>	
	<i>Dec 13–Feb 14</i>	<i>Dec 12–Feb 13</i>	<i>Mar 13–Feb 14</i>	<i>Mar 12–Feb 13</i>
<b>Net earnings for the period</b>	<b>106</b>	<b>-125</b>	<b>102</b>	<b>-138</b>
<b>Other comprehensive income</b>				
Other comprehensive income for the period, net after tax	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>106</b>	<b>-125</b>	<b>102</b>	<b>-138</b>

**PARENT COMPANY'S BALANCE SHEET IN BRIEF**

<i>SEK million</i>	<i>Full year</i>	
	<i>Feb 28, 2014</i>	<i>Feb 28, 2013</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Improvement expenditures on third-party property	18	20
Equipment, tools, fixtures and fittings	4	26
Participations in Group companies	1,974	1,953
Receivables from Group companies	434	444
<b>Total financial assets</b>	<b>2,430</b>	<b>2,443</b>
<b>Current assets</b>		
Receivables from Group companies	182	139
Other current receivables	-	2
Prepaid expenses and accrued revenue	12	11
Restricted accounts	52	56
Cash and cash equivalents	1	48
<b>Total current assets</b>	<b>247</b>	<b>256</b>
<b>TOTAL ASSETS</b>	<b>2,677</b>	<b>2,699</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>2,604</b>	<b>2,553</b>
<b>Non-current liabilities</b>		
Borrowing		
Liabilities to Group companies		
Pension provisions	5	4
<b>Total non-current liabilities</b>	<b>5</b>	<b>4</b>
<b>Current liabilities</b>		
Accounts payable	16	14
Liabilities to Group companies	28	109
Other current liabilities	5	3
Accrued expenses and deferred revenue	19	16
<b>Total current liabilities</b>	<b>68</b>	<b>142</b>
<b>Total liabilities</b>	<b>73</b>	<b>146</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,677</b>	<b>2,699</b>

**PARENT COMPANY'S CHANGE IN EQUITY**

<i>SEK million</i>	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Share premium reserve</i>	<i>Retained earnings</i>	<i>Earnings for the period</i>	<i>Total equity</i>
<b>Opening equity per March 1, 2012</b>	<b>16</b>	<b>56</b>	<b>-</b>	<b>107</b>	<b>-33</b>	<b>146</b>
Reversal of previous year's earnings	-	-	-	-33	33	-
Earnings for the period	-	-	-	-	-138	-138
<b>Transactions with the owners</b>						
Received shareholder's contribution/Group	-	-	-	181	-	181
<b>Total transactions with the owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181</b>	<b>-</b>	<b>181</b>
<b>Closing equity per Feb 28, 2013</b>	<b>16</b>	<b>56</b>	<b>-</b>	<b>255</b>	<b>-138</b>	<b>189</b>
Reversal of previous year's earnings	-	-	-	-138	138	-
Earnings for the period	-	-	-	-	102	102
<b>Closing equity per Feb 28, 2014</b>	<b>16</b>	<b>56</b>	<b>-</b>	<b>117</b>	<b>102</b>	<b>291</b>

**NOTE 1. SEGMENT REPORTING**

<i>SEK million, unless otherwise stated</i>	<b>Quarter</b>		<b>Full year</b>	
	<i>Dec 13–Feb 14</i>	<i>Dec 12–Feb 13</i>	<i>Mar 13–Feb 14</i>	<i>Mar 12–Feb 13</i>
<b>Revenue per business area</b>				
Nobina Sweden	1,249	1,201	4,858	4,838
Nobina Denmark	89	85	346	339
Nobina Norway	233	245	995	947
Nobina Finland	191	198	802	802
Elimination of sales to interregional traffic	-19	-8	-40	-33
<b>Total regional traffic</b>	<b>1,743</b>	<b>1,721</b>	<b>6,961</b>	<b>6,893</b>
Swebus	66	77	316	355
Elimination of sales to regional traffic	-	-	-	-
<b>Total interregional traffic</b>	<b>66</b>	<b>77</b>	<b>316</b>	<b>355</b>
<b>Central functions</b>	<b>13</b>	<b>4</b>	<b>21</b>	<b>15</b>
<b>Total revenues</b>	<b>1,822</b>	<b>1,802</b>	<b>7,298</b>	<b>7,263</b>

<i>SEK million, unless otherwise stated</i>	<b>Quarter</b>		<b>Full year</b>	
	<i>Dec 13–Feb 14</i>	<i>Dec 12–Feb 13</i>	<i>Mar 13–Feb 14</i>	<i>Mar 12–Feb 13</i>
<b>Operating profit per business area</b>				
Nobina Sweden	22	-	165	133
Nobina Denmark	-4	-7	-19	-28
Nobina Norway	-35	-31	-55	-78
Nobina Finland	3	4	22	13
<b>Total regional traffic</b>	<b>-14</b>	<b>-34</b>	<b>113</b>	<b>40</b>
Swebus	-2	-6	-	-3
<b>Total interregional traffic</b>	<b>-16</b>	<b>-6</b>	<b>113</b>	<b>-3</b>
<b>Central functions and other items</b>	<b>-5</b>	<b>-10</b>	<b>-33</b>	<b>-38</b>
<b>Total operating profit</b>	<b>-21</b>	<b>-50</b>	<b>80</b>	<b>-1</b>



**NOTE 2. FINANCING**

<i>SEK million, unless otherwise stated</i>	<i>Quarter</i>		<i>Full year</i>	
	<i>Dec 13–Feb 14</i>	<i>Dec 12–Feb 13</i>	<i>Mar 13–Feb 14</i>	<i>Mar 12–Feb 13</i>
<b>Operational leasing, Buses</b>				
Nominal value of future payments - Buses	-	-	4,330	4,790
Present value of future payments - Buses	-	-	3,812	4,155
Number of operationally leased buses	-	-	2,983	3,012
Reported operational leasing expense	198	230	813	907
<b>Interest-bearing non-current liabilities</b>				
Bond loan	552	551	552	551
Liabilities to Group Companies	339	339	339	339
Capitalized financing fees	-27	-33	-27	-33
<b>Total</b>	<b>864</b>	<b>857</b>	<b>864</b>	<b>857</b>
Less current part	-	-	-	-
<b>Total non-current liabilities</b>	<b>864</b>	<b>857</b>	<b>864</b>	<b>857</b>
<b>Interest expenses and similar profit/loss items</b>				
Interest expenses paid to Group companies	-12	-18	-48	-54
Interest expenses, bond loan	-26	-17	-69	-80
Other financial expenses	4	-5	-12	-16
Realized and non-realized exchange rate profits	-	-4	-10	12
<b>Total</b>	<b>-34</b>	<b>-44</b>	<b>-139</b>	<b>-138</b>

## DEFINITIONER

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### **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 6, EEV**

Different generations of emission classes for diesel motors.

### **EXPRESS LINE**

Long distance route on main roads, providing a faster travel route through several counties without a lot of stops. The revenues of the operator come solely from 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 6–10 years in exchange for a fixed price with agreed indexing terms, sometimes also including a variable compensation.

***WE ARE HERE FOR OUR CUSTOMERS***

We listen carefully to passenger needs and approach passengers with friendliness and respect. We keep our promises, develop value-for-money solutions and make life easier for our passengers.

***WE STRIVE FOR CONTINUOUS DEVELOPMENT***

We achieve objectives and deliver results. We are resource efficient and meet or exceed assured quality. We work with managed objectives and systematic follow-up in order to continually improve the company and its services.

***WE RESPECT EACH OTHER***

We safeguard each other's equality and treat each other with friendliness and respect. Together we shape a secure and creative working climate that encourages initiative and suggestions for improvement. We oppose a lack of respect towards passengers, each other and the company.

***WE SAFEGUARD GOOD LEADERSHIP***

We place clearly-defined demands on managers and employees. We put the passenger's and the company's interests before our own. We foster unrestricted cooperation. We provide feedback on work performed and pay due regard to achievements. We manage trust and confidentiality.

***WE CARE***

We take active responsibility for the environment and the community. We encourage health and personal development. We follow regulations and abide by the law. We are involved; we care for each other, our passengers and the world at large.