



# Nobina AB Group

Investor presentation Q2 Jun – Aug 2010/2011

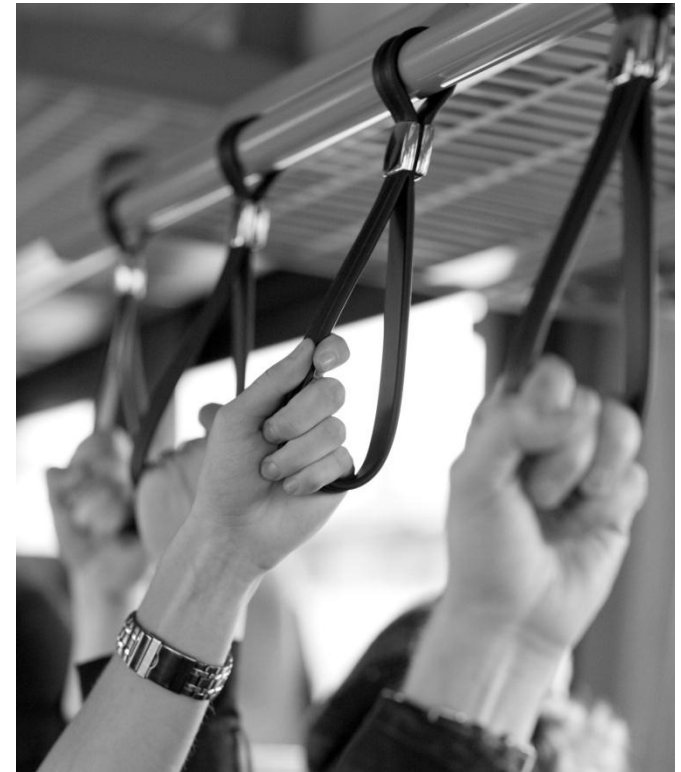


This presentation includes statements regarding current expectations going forward, but subject to risks and uncertainties. Examples of risks and uncertainties include economic conditions, product demand, competition, government regulation, financial resources, and certain litigation. Our financial statements and latest annual report provide a more detailed view of financials as well as risks and uncertainties.

Please note that all figures in this presentation are based on IFRS accounting standards.

# Business highlights

- Swedish election results will probably lead to confirmation of new public transport legislation
- Tender announcements in regional traffic in Q2 have been favorable to us and the 6-month success ratio is 51%
- Our brand within interregional traffic, “Swebus”, increased its brand awareness score to 69% (61%)



# Financial highlights Q2

- Sales increased by 9% to MSEK 1,582 (1,454)
- EBIT of MSEK 90 (58); improved index development and volume growth, together with increased cost efficiency
- Net earnings of MSEK 45 (59), affected by lower F/X profit on senior notes MSEK 13 (56); and earnings per share were SEK 1.81 (1.51)
- Cash flow from operations of MSEK 178 (126)



# Market development

- The results of the Swedish parliamentary elections have created uncertainty regarding government formation but will probably lead to confirmation of new legislation for Swedish public transport
- Nordic countries have emerged from the global recession in a stable manner and we see few threats to general market volume
- A general improvement in lease facilities and lease terms can be seen on the back of the global recovery

# Operations – regional traffic

- Higher tender volume than originally expected thanks to prematurely cancelled contracts and non-exercise of options by our competitors, in combination with new areas opened up for tender
- Several PTAs have received directives from their owners to plan for a doubling of public transport, following a national initiative
- In the latest two Skånetrafiken tenders, Nobina Sverige has been ranked nr 1 in quality, well ahead of competitors
- Continued recovery in the labor component of index compensation from low levels during the recession, and we expect to restore index levels within the next few years
- Operational efficiency has improved in both fleet and driver planning
- New manager hired for our Norwegian business
- Keolis has now become full owner of Busslink, Sweden

# Operations – interregional traffic

- Domestic long distance summer travel has been negatively affected by fewer events and more vacations being spent abroad than in previous years
- Our new airport transfer between Stockholm city and Arlanda airport has started off well, in line with expectations
- Tight capacity planning has reduced our subcontractor costs during Q2 and kept the load factor above 60%
- 10% more visitors on our web site than Q2 last year

# Tender update YTD

- Nobina submitted tenders for 900 buses worth MSEK 13,273
- Nobina won contracts for 236 buses worth MSEK 3,242 and awaits response for 436 buses
- Nobina started traffic of 274 buses, and ended traffic of 330 buses

Tender update per country, H1 (Number of buses unless stated)	Tenders during the period			Traffic during the period		
	Submitted	Won	Not won	No. in contracts	Started	Ended
Sweden	706	178	92	2 134	221	297
Norway	91	0	91	438	0	0
Finland	103	58	45	356	26	33
Denmark	0	0	0	133	27	0
Sum regional traffic	900	236	228	3 061	274	330



# Contract update – coming 12 months

- Nobina will start new contracts of 230 buses in Sweden and Finland during the coming 12 months

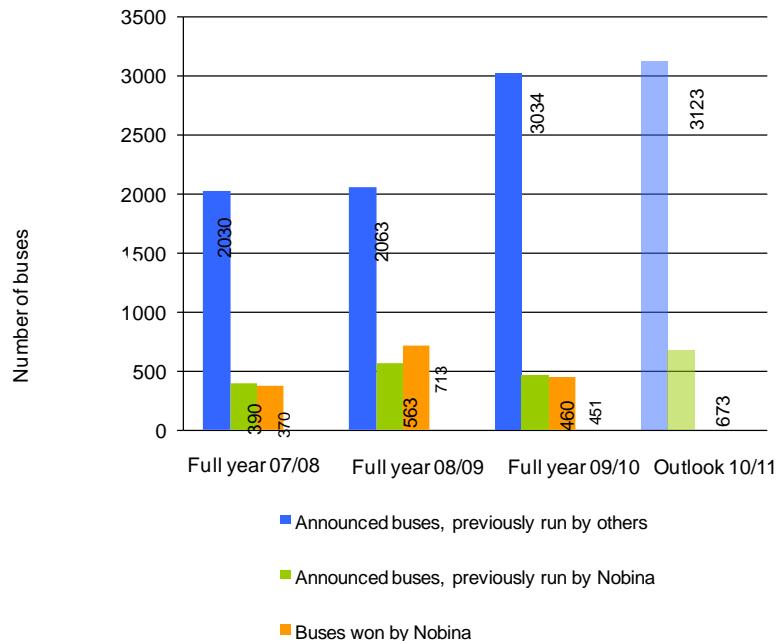
Tender outcome per country	Traffic starts Sep 2010 – Aug 2011						
	PTA	Contract type	No. of years		Traffic start	No. of buses	Value (MSEK)
Sweden	VLT Västerbotten	Regional	1		January 2011	27	3
	Skånetrafiken	City	8	(2)	March, 2011	89	1 752
	Västtrafik	Regional	8	(2)	June, 2011	6	140
	Västtrafik	Express	8	(2)	June, 2011	23	490
	Östgötatrafiken	Regional	5		June, 2011	27	346
Finland	HSL	City	5	(1+1+1)	January, 2011	36	404
	HSL	City	5	(1+1+1)	January, 2011	16	163
	HSL	City	1		August, 2011	6	10
Sum Regional traffic						230	3,308

- Nobina's contract portfolio has a total value of SEK 32 billion including options, with the longest contract expiring in 2022 (2019 excluding options)

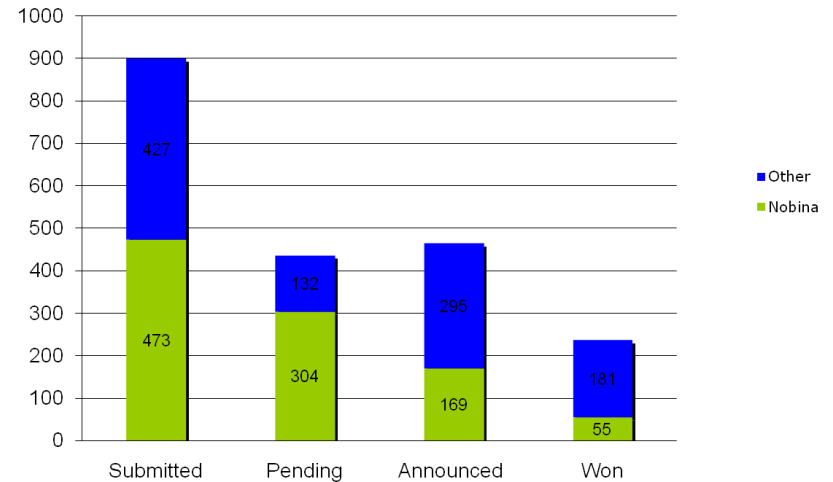
# Tender overview

- Renewal ratio YTD 140% → target 100% (won/own announced)
  - Success ratio 51% (won/announced)
  - Retention ratio 33% (defended/own announced)

## Historical tender overview



## YTD – tender results (buses)



### Definitions:

**Submitted – Nobina’s submitted tenders**

**Pending – Submitted less announced**

**Announced – Submitted tenders, of which results are announced**

**Won – Nobina wins out of the announced tenders**



# Financial summary Q2

- Total revenue +9% to MSEK 1,582 (1,454)
  - Regional traffic - revenue +9% as a result of contract renewals and increased compensation and volume in existing contracts
  - Interregional traffic - revenue flat due to reduced number of passengers travelling during vacation and to events, as well as continued improvement in ticket yield
- Total EBIT increased by MSEK 32 to MSEK 90 (58)
  - Regional traffic - EBIT improved by MSEK 29 as a result of new contracts, volume increase and improved indexation
  - Interregional traffic - EBIT improved by MSEK 1 as a result of increased traffic margin, but was reduced by marketing and IT investments
  - EBIT improvement also from HQ savings of MSEK 2
- EBT decreased by MSEK 14 to MSEK 45 (59) due to lower unrealized FX gain, MSEK 13 (56), on the senior notes
- Cash flow reduced by MSEK 102 in Q2 due to negative working capital and redemption of senior notes (MSEK 115), resulting in MSEK 160 available cash. In addition, restricted cash is MSEK 144.

# Nobina AB Group

MSEK	Q2			YTD		
	FY 10/11	FY 09/10	△	FY 10/11	FY 09/10	△
<b>Net revenues</b>	<b>1 582</b>	<b>1 454</b>	<b>128</b>	<b>3 311</b>	<b>3 009</b>	<b>302</b>
<b>EBITDAR</b>	<b>260</b>	<b>211</b>	<b>49</b>	<b>468</b>	<b>418</b>	<b>50</b>
% of revenues	16,4%	14,5%		14,1%	13,9%	
<b>EBITDA</b>	<b>184</b>	<b>139</b>	<b>45</b>	<b>320</b>	<b>273</b>	<b>47</b>
% of revenues	11,6%	9,6%		9,7%	9,1%	
<b>EBIT</b>	<b>90</b>	<b>58</b>	<b>32</b>	<b>138</b>	<b>111</b>	<b>27</b>
% of revenues	5,7%	4,0%		4,2%	3,7%	
Interest income	3	2	1	5	5	0
Interest expenses	-63	-55	-8	-122	-108	-14
FX net *)	15	54	-39	25	127	-102
<b>Earnings before tax</b>	<b>45</b>	<b>59</b>	<b>-14</b>	<b>46</b>	<b>135</b>	<b>-89</b>
Tax	0	0	0		0	0
<b>Earnings after tax</b>	<b>45</b>	<b>59</b>	<b>-14</b>	<b>46</b>	<b>135</b>	<b>-89</b>
*) of which fx profit on Notes	13	56	-43	24	151	-127

# Revenue and EBIT bridges YTD

MSEK	Revenue	EBIT
<b>YTD Mar – Aug 2009</b>	<b>3 009</b>	<b>111</b>
Price & Volume	+84	+43
Contract changes	+223	+3
Indexation	+57	-16
Operational efficiency	-	+13
Non-recurring costs	-	-8
Fleet financing and utilization	-	+18
Adjustment, Denmark	-	-6
Other	-62	-20
<b>YTD Mar – Aug 2010</b>	<b>3 311</b>	<b>138</b>

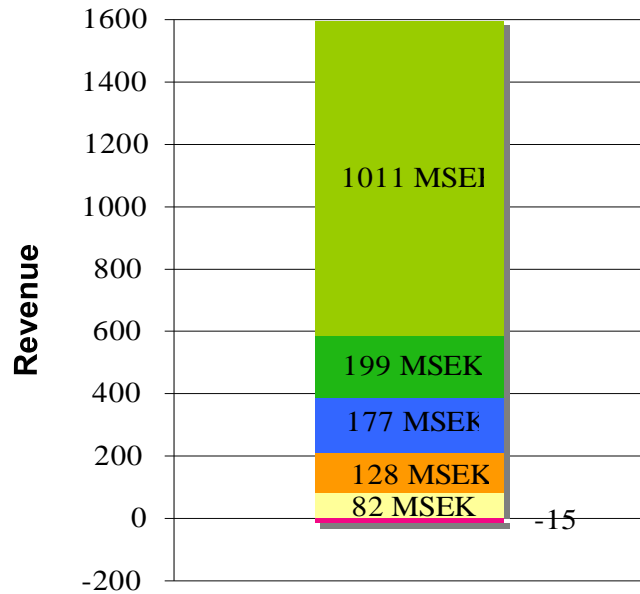
# Revenue per business segment

MSEK	Q2			YTD		
	FY 10/11	FY 09/10	△	FY 10/11	FY 09/10	△
Sweden	1 011	962	5%	2 159	2 025	7%
Denmark	82	49	67%	161	91	77%
Norway	199	151	32%	406	312	30%
Finland	177	183	-3%	375	394	-5%
<b>Total Regional</b>	<b>1 469</b>	<b>1 345</b>	<b>9%</b>	<b>3 101</b>	<b>2 822</b>	<b>10%</b>
Express	128	129	-1%	241	221	9%
<b>Total Interregional</b>	<b>128</b>	<b>129</b>	<b>-1%</b>	<b>241</b>	<b>221</b>	<b>9%</b>
Parent and eliminations	-15	-20	-25%	-31	-34	-9%
<b>Total revenue</b>	<b>1 582</b>	<b>1 454</b>	<b>9%</b>	<b>3 311</b>	<b>3 009</b>	<b>10%</b>

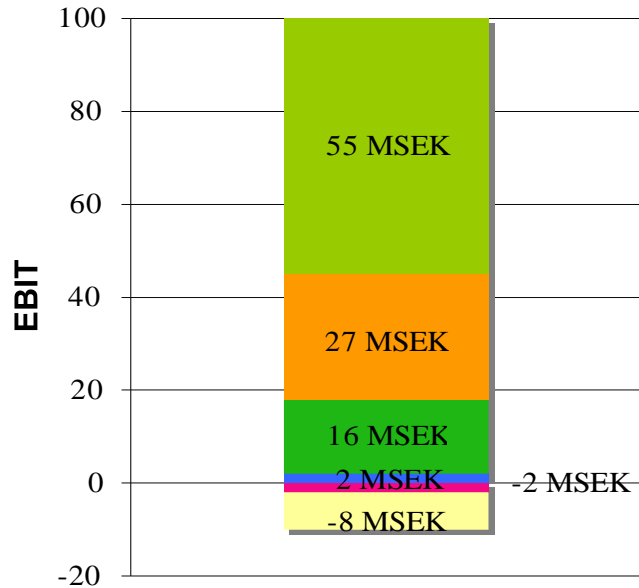
# EBIT per business segment

MSEK	Q2			YTD		
	FY 10/11	FY 09/10	△	FY 10/11	FY 09/10	△
Sweden	55	39	16	105	93	12
Denmark	-8	-5	-3	-20	-11	-9
Norway	16	4	12	23	11	12
Finland	2	-2	4	3	4	-1
<b>Total Regional</b>	<b>65</b>	<b>36</b>	<b>29</b>	<b>111</b>	<b>97</b>	<b>14</b>
Interregional	27	26	1	38	29	9
HQ and other	-2	-4	2	-11	-15	4
<b>EBIT</b>	<b>90</b>	<b>58</b>	<b>32</b>	<b>138</b>	<b>111</b>	<b>27</b>
Financial net	-45	1	-46	-92	24	-116
<b>PBT</b>	<b>45</b>	<b>59</b>	<b>-14</b>	<b>46</b>	<b>135</b>	<b>-89</b>

# Revenue and EBIT by segment Q2



- MB and eliminations
- Sweden
- Norway
- Finland
- Swebus
- Denmark

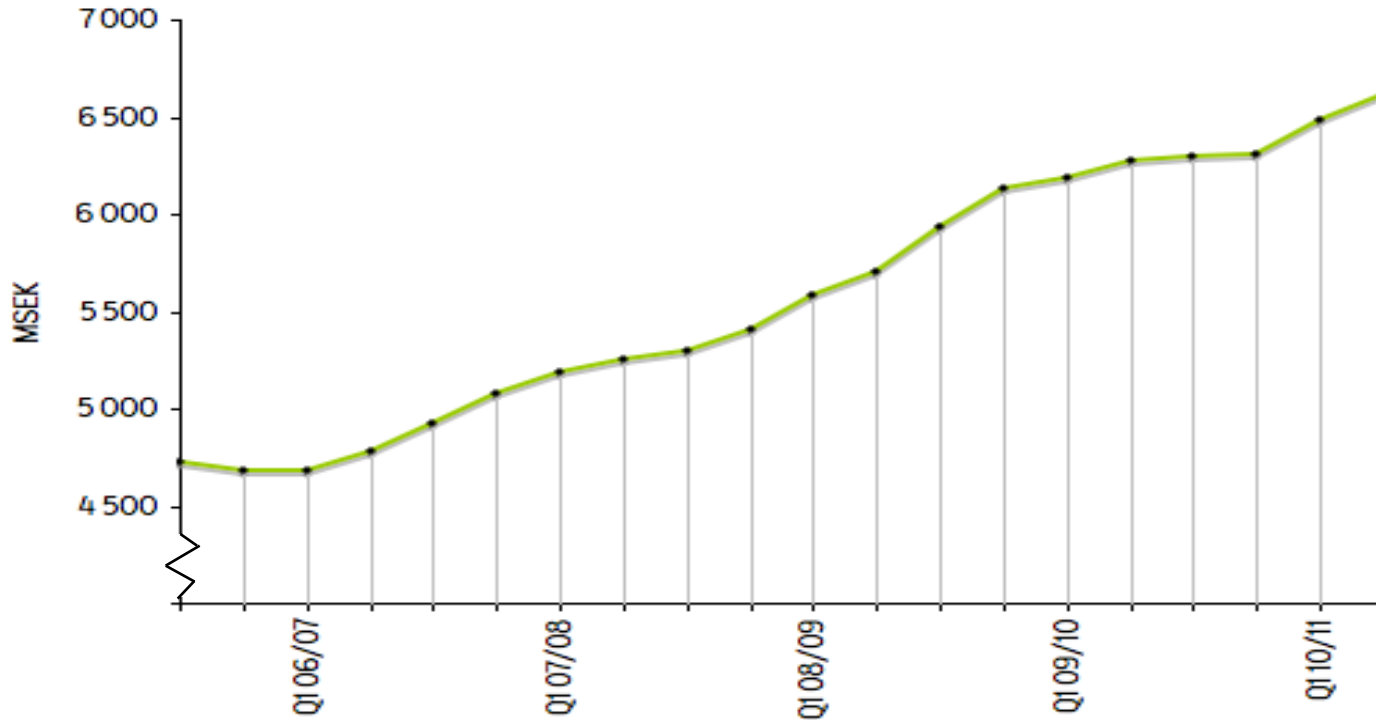


- Denmark
- HQ and other
- Sweden
- Swebus
- Norway
- Finland



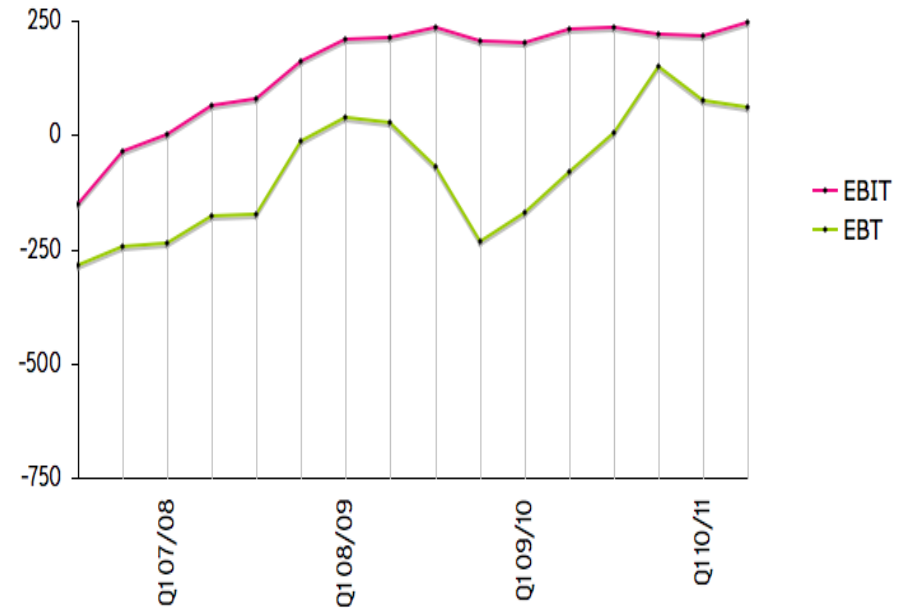
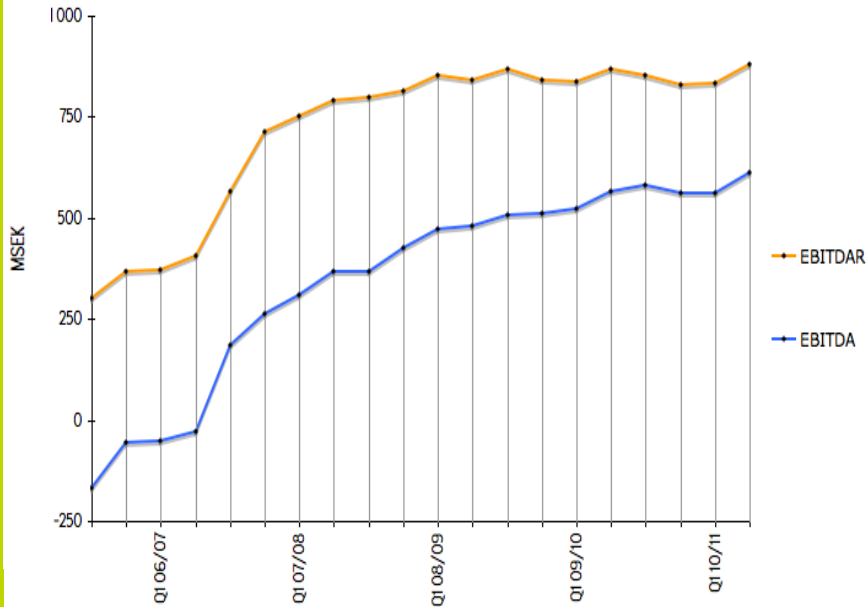
# Historical revenue trend

Rolling 4 quarters



# Historical earnings trend<sup>\*)</sup>

Rolling 4 quarters



<sup>\*)</sup> excluding one-offs and non-recurring

# Cash flow

MSEK	Q2			YTD		
	FY 10/11	FY 09/10	△	FY 10/11	FY 09/10	△
Cash flow from operations before changes in working capital	178	126	52	318	257	61
Change in working capital	-102	-5	-97	-97	21	-118
<b>Cash flow from operations</b>	<b>76</b>	<b>121</b>	<b>-45</b>	<b>221</b>	<b>278</b>	<b>-57</b>
Cash flow from investing activities	-30	-66	36	-42	-68	26
Cash flow from financing activities	-257	-164	-93	-345	-224	-121
<b>Cash flow for the period</b>	<b>-211</b>	<b>-109</b>	<b>-102</b>	<b>-166</b>	<b>-14</b>	<b>-152</b>
Available cash *)	<b>160</b>	<b>386</b>	<b>-226</b>	<b>160</b>	<b>386</b>	<b>-226</b>

\*) Restricted cash of MSEK 144 (149) not included

Q2 includes amortization of Senior Notes in August 2010

# Nobina Europe AB Group

MSEK	Q2			YTD		
	FY 10/11	FY 09/10	△	FY 10/11	FY 09/10	△
<b>Net revenues</b>	<b>1 600</b>	<b>1 455</b>	<b>145</b>	<b>3 330</b>	<b>3 009</b>	<b>321</b>
Operating costs	-1 557	-1 432	-125	-3 286	-2 967	-319
<b>EBIT</b>	<b>43</b>	<b>23</b>	<b>20</b>	<b>44</b>	<b>42</b>	<b>2</b>
Finance net	-7	31	-38	-16	84	-100
<b>Profit before tax</b>	<b>36</b>	<b>54</b>	<b>-18</b>	<b>28</b>	<b>126</b>	<b>-98</b>
		<b>Q2</b>			<b>YTD</b>	
Split of finance net	FY 10/11	FY 09/10	△	FY 10/11	FY 09/10	△
Interest net	-24	-25	1	-43	-50	7
FX net *)	17	56	-39	27	134	-107
<b>Total</b>	<b>-7</b>	<b>31</b>	<b>-38</b>	<b>-16</b>	<b>84</b>	<b>-100</b>
	13	56	-43	24	151	-127

\*) of which fx profit on Senior Notes

# Conclusions

- **Substantial EBIT improvement in Q2, driven by both top line growth and cost efficiency, supporting our financial guidelines**
- **Nobina has had solid tender results YTD, awaiting huge announcements in Q3-Q4, and tender volume is growing**
- **A second amortization of our senior notes has further reduced our interest cost and F/X exposure going forward**



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