



# Nobina AB Group

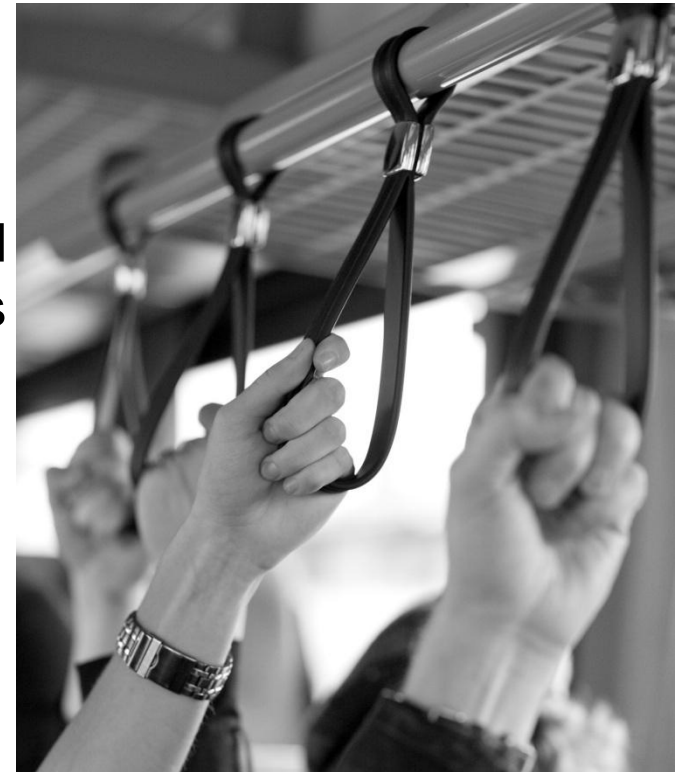
Investor Presentation  
Q4 and Full Year  
March 2011 – Feb 2012

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

- We succeeded in increasing our market share, despite high exposure of own contracts
- Sweden, Finland and Denmark performed better than LY, while Norway and Swebus experienced severe difficulties
- Strong quality score in new Swedish tender concept
- Public transport increased its market share in Sweden to 25.3% of all journeys
- Swebus ranked no. 3 among transport companies in Sustainable Brand survey



# Financial highlights Q4

- Sales increased by 4.5% to MSEK 1,747 (1,671)
- EBIT of MSEK -150 (-7); affected by write-downs of MSEK -115 for goodwill and balance sheet clean-up in Norway, as well as expensing MSEK -49 in advisory costs
- Net earnings of MSEK -188 (-39), affected by F/X effect on Notes of MSEK 28 (29)
- Earnings per share were SEK -7.54 (-1.56)
- Cash flow from operations of MSEK 154 (168)



# Financial highlights - full year

- Sales increased by 5.3% to MSEK 7,050 (6,697)
- EBIT of MSEK 37 (232); affected by write-downs of MSEK -115 for goodwill and balance sheet clean-up in Norway, as well as expensing MSEK -49 in advisory costs
- Net earnings of MSEK -230 (59), affected by F/X effect on Notes of MSEK 4 (66)
- Earnings per share were SEK -9.23 (2.37)
- Cash flow from operations of MSEK 626 (657)



# Market development

- For the full year FY 11/12 Nobina won contracts for 650 buses vs. expiring contracts for 517 buses, a net gain of 133 buses
- Contracts for 1,800 buses will be tendered and decided March 2012 – Feb 2013, of which Nobina's exposure only is 109 buses. Pending new tenders:
  - Sweden: Gothenburg (90 buses); Finland: HSL 23 (110 buses)
- EU is investigating Nobina's claim regarding continuous injection of taxpayer funds into the publicly-owned Finnish bus operator HELB
- Public transport market share in Sweden has increased to 25,3% in 2011 vs. 23,8% in 2010.

# Operations – regional traffic

- Task force in Nobina Norway, consisting of key individuals from Nobina Sweden, is working hard with Norway management on the turn around
- In latest Västtrafik tender, Nobina obtained 217 quality points out of max 250, with second best competitor at 100
- We are continuing our contract migration in Sweden by closing down and starting up contracts with more than 500 buses during FY 12 13
- By the latest contract win in Finland, Nobina Finland is now the biggest operator in Helsinki region
- Nobina Sweden was awarded a national traffic security prize for its high percentage of inspected buses without remarks

# Operations – interregional traffic

- Swebus' revenues decreased by 14%, while passenger numbers only fell by 5% from LY. The main reasons were price pressure from rail, following a huge increase in domestic air seats, and changed demand patterns.
- We are continuing the transformation of Swebus into a more flexible cost structure and broader product offering by signing three Swebus partner agreements with other bus companies as subcontractors, and have introduced coach hire booking service.
- Swebus was ranked no. 3 after SJ and SL, in the annual Sustainable Brand survey in Sweden
- Continued increased volume in Swebus' airport shuttle (Stockholm-Arlanda) with stable prices



# Tender update - full year

- Nobina submitted tenders for 1,661 buses worth MSEK 27,337
- Nobina won contracts for 650 buses worth MSEK 13,657
- Nobina started traffic for 547 buses and ended traffic for 568 buses

Tender update per country, 12 months  (Number of buses unless stated)	Tenders during the period			Traffic changes during the period	
	Submitted	Won	Not won	Started	Ended
Sweden	683	316	367	409	508
Norway	540	193	347	115	20
Finland	271	121	150	14	40
Denmark	167	20	147	9	0
<b>Total regional traffic</b>	<b>1,661</b>	<b>650</b>	<b>1011</b>	<b>547</b>	<b>568</b>

# Contract update – coming 12 months

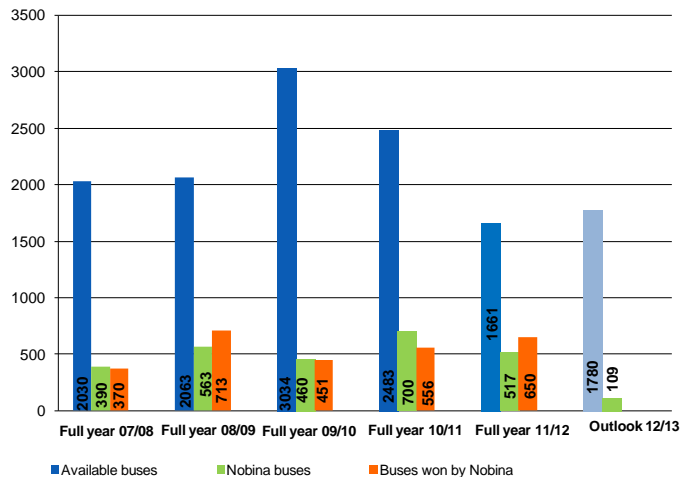
- Nobina will start new contracts comprising 517 buses in Sweden, Finland, Norway and Denmark, during the coming 12 months

Tender outcome per country	Traffic starts March 2012 – February 2013					
	PTA	Contract type	No. of years	Traffic start	No. of buses	Value (MSEK)
Sweden	Upplands Lokaltrafik	Regional	10	June 2012	163	4,917
	Skånetrafiken	Regional	8	October 2012	13	260
	Skånetrafiken	Regional	8	October 2012	32	640
	Skånetrafiken	Regional	4	October 2012	17	160
	Västtrafik	Regional	8	December 2012	27	420
	Västtrafik	Regional	8	December 2012	46	839
Finland	HSL	City	7	August 2012	107	1627
	HSL	City	7	February 2012	24	354
Norway	Ruter	City	7	October 2012	78	1,749
Denmark	Movia	City	6	October 2012	10	163
Sum Regional Traffic					517	11,129

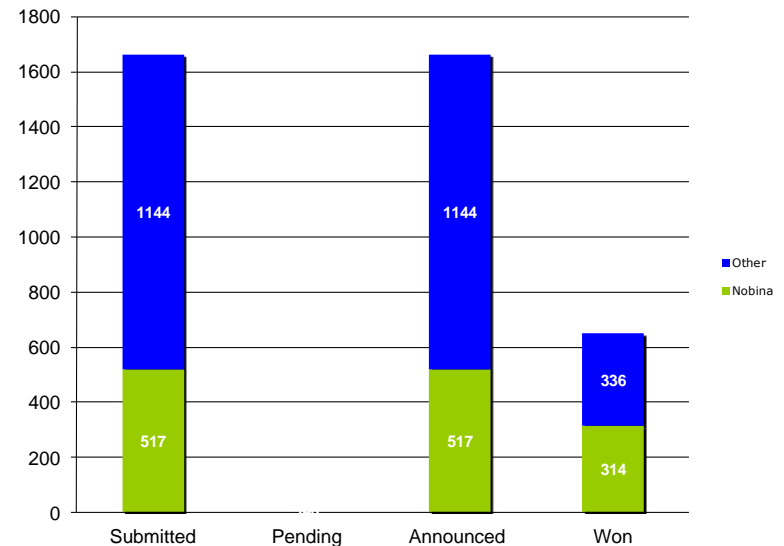
# Tender overview

- Renewal ratio YTD 126% → target 100% (won/own announced)
  - Success ratio 39% (won/announced)
  - Retention ratio 61% (defended/own announced)

## Historical tender overview



## YTD – tender results (buses)



### Definitions:

**Submitted** – Nobina’s submitted tenders

**Pending** – Submitted less announced

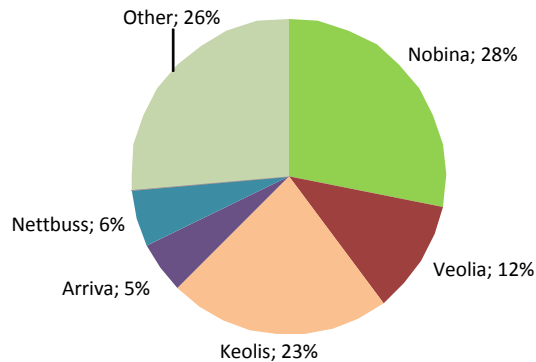
**Announced** – Submitted tenders, of which results are announced

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

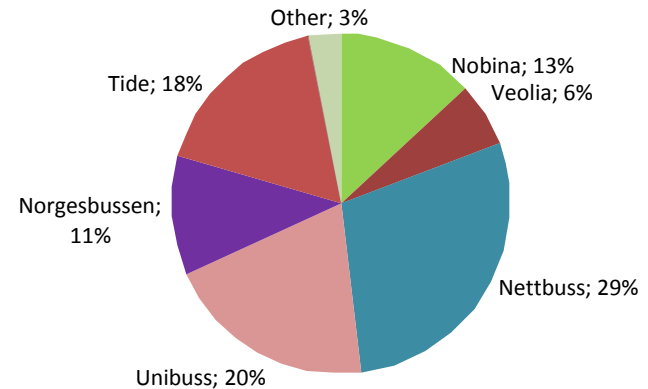


# Market shares, tendered regional traffic

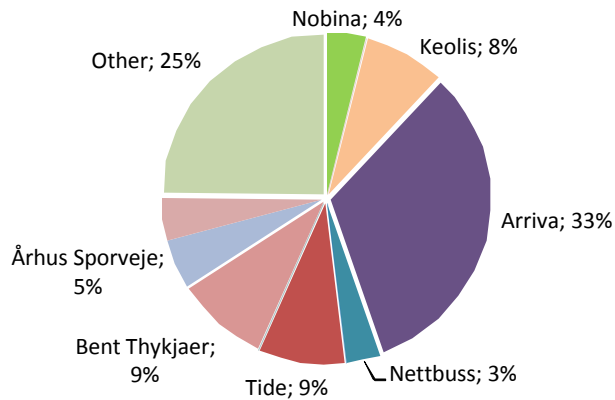
## Sweden



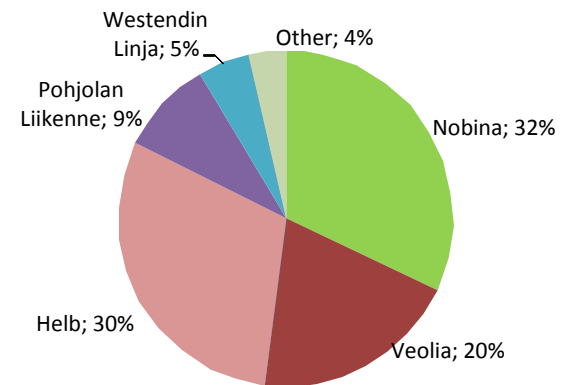
## Norway



## Denmark



## Finland 1)



1) Greater Helsinki area only

# Contract information

- 99 PTA contracts by end of Q4
  - PTA contract revenue represented 92% of YTD revenue
  - Our longest contract expires in 2022, (2020 excluding options)
  - The contract portfolio has a total value of more than SEK 30 billion
- 50 contracts up for tender, of which 8 currently run by Nobina
  - 1780 buses up for tender, of which 109 currently run by Nobina
  - 109 buses in 8 contracts will be up for tender FY 12/13

# Nobina AB Group

MSEK	Q4			Full year		
	11/12	10/11	△	11/12	10/11	△
<b>Net revenues</b>	<b>1 747</b>	<b>1 671</b>	<b>76</b>	<b>7 050</b>	<b>6 697</b>	<b>353</b>
<b>EBITDAR</b>	<b>101</b>	<b>157</b>	<b>-56</b>	<b>782</b>	<b>877</b>	<b>-95</b>
% of revenues	5,8%	9,4%		11,1%	13,1%	
<b>EBITDA</b>	<b>44</b>	<b>90</b>	<b>-46</b>	<b>526</b>	<b>604</b>	<b>-78</b>
% of revenues	2,5%	5,4%		7,5%	9,0%	
<b>EBIT</b>	<b>-150</b>	<b>-7</b>	<b>-143</b>	<b>37</b>	<b>232</b>	<b>-195</b>
% of revenues	-8,6%	-0,4%		0,5%	3,5%	
Interest income	2	3	-1	4	11	-7
Interest expenses	-68	-64	-4	-275	-250	-25
FX net *)	28	29	-1	4	66	-62
<b>Earnings before tax</b>	<b>-188</b>	<b>-39</b>	<b>-149</b>	<b>-230</b>	<b>59</b>	<b>-289</b>
Tax	0	0	0		0	0
<b>Earnings after tax</b>	<b>-188</b>	<b>-39</b>	<b>-149</b>	<b>-230</b>	<b>59</b>	<b>-289</b>

\*) of which FX P/L on Notes                      28                      29                      -1                      4                      66                      -62

- EBT decreased by MSEK -149 to MSEK -188 (-39) in Q4 and by MSEK -289 to MSEK -230 (59) YTD
- FX gain on the senior notes of MSEK 28 (29) in Q4 and of MSEK 4 (66) YTD
- Write down of MSEK 115, goodwill MSEK 84 and balance sheet items MSEK 31 related to Norway
- Advisory costs of MSEK 49 taken to the result

# Revenue and EBIT bridges

MSEK	Revenue	EBIT
<b>YTD Mar 2010 – Feb 2011</b>	<b>6 697</b>	<b>232</b>
Price & Volume	109	19
Contract changes	191	-32
Indexation	55	12
Operational efficiency	-	-76
Non-recurring costs	-	-171 ← Q4
Fleet financing and utilization	-	59
Adjustment, Denmark	-	-6
Other	-2	0
<b>YTD Mar 2011 – Feb 2012</b>	<b>7 050</b>	<b>37</b>

- YTD Total revenue +5.3% to MSEK 7,050 (6,697)
  - Increase mainly from Price & volume and contract changes
- YTD Total EBIT decreased by MSEK -195 to MSEK 37 (232)
  - Contract changes, operational efficiency negative
  - Price & volume, Fleet financing and indexation positive
  - Significant non-recurring costs

# Analysis of EBIT potential

MSEK	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>
<b>Reported EBIT</b>	<b>192</b>	<b>232</b>	<b>37</b>
<u>Non-recurring:</u>			
Goodwill adjustment Norway			-84
Balance sheet clean-up Norway			-31
Expensing Advisory costs			-49
100-year Anniversary			-7
Total			-171
<b>EBIT before non-recurring</b>	<b>192</b>	<b>232</b>	<b>208</b>
Contract changes (renewal)	-46	-9	-32
Extraordinary winter effect	-37	-62	-8
<b>EBIT before contract changes and winter effect</b>	<b>275</b>	<b>303</b>	<b>248 *)</b>

\*) Including Swebus price and passengers MSEK -44 and Norway inefficiency MSEK -26 in 2011/12



# Revenue per business segment

MSEK	Q4			Full year		
	11/12	10/11	△	11/12	10/11	△
Sweden	1 220	1 152	6%	4 905	4 459	10%
Denmark	86	77	12%	325	323	1%
Norway	178	173	3%	718	783	-8%
Finland	191	188	2%	775	756	3%
Eliminations	-7	-12	-42%	-43	-54	-20%
<b>Total Regional</b>	<b>1 668</b>	<b>1 578</b>	<b>6%</b>	<b>6 680</b>	<b>6 267</b>	<b>7%</b>
Swebus	79	93	-15%	370	430	-14%
Eliminations	0	0	0%	0	0	0%
<b>Total Interregional</b>	<b>79</b>	<b>93</b>	<b>-15%</b>	<b>370</b>	<b>430</b>	<b>-14%</b>
<b>Total revenue</b>	<b>1 747</b>	<b>1 671</b>	<b>5%</b>	<b>7 050</b>	<b>6 697</b>	<b>5%</b>

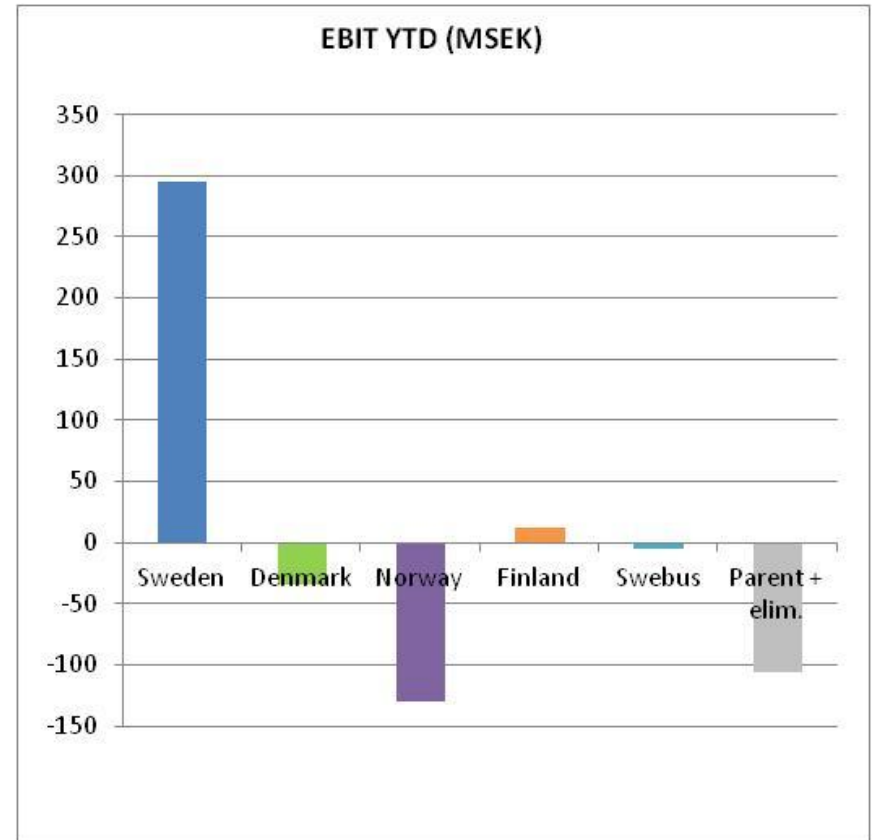
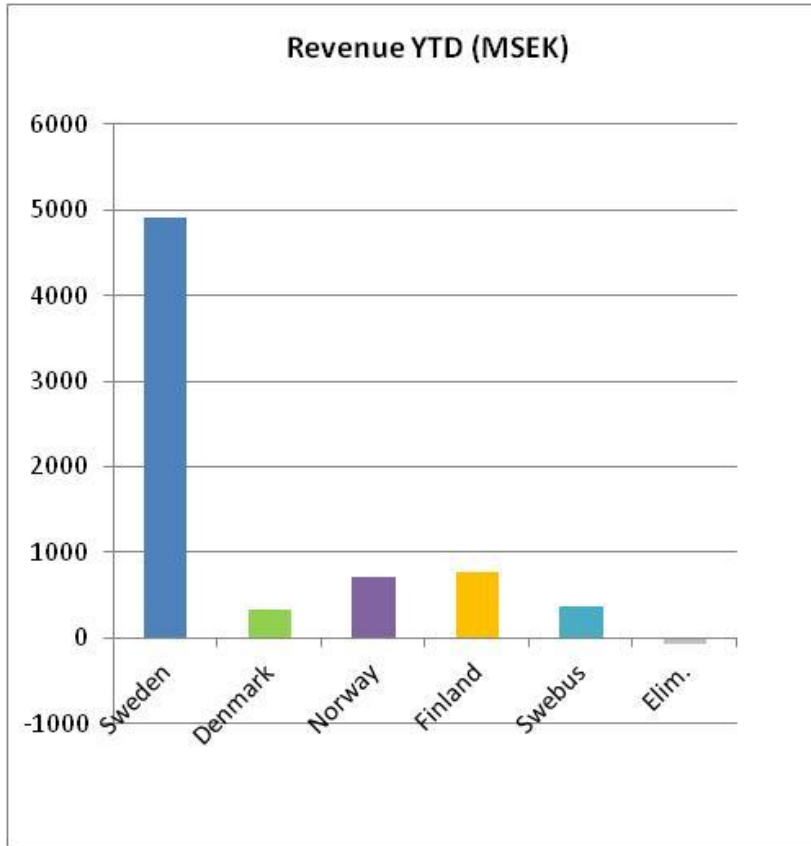
- Regional revenue increased by MSEK 90 in Q3 and MSEK 413 YTD.
  - Sweden contract migration finalized before Q3. Contract migration and positive indexation effect YTD
  - Norway increased slightly in Q4 from new Tromsö contract, but decreased YTD
  - Small growth in Finland in Q3 and YTD from indexation
  - Denmark increased in Q4 from start-up in Hilleröd, flat YTD due to low indexation
- Interregional revenue decreased by MSEK 14 in Q3 and MSEK 60 YTD due to negative passenger trend and price cuts. Last year's ash cloud traffic peak also affects YTD comparison

# EBIT per business segment

	Q4			Full year		
	11/12	10/11	△	11/12	10/11	△
MSEK						
Sweden	77	46	31	295	242	53
Denmark	-8	-28	20	-33	-53	20
Norway	-135	-16	-119	-128	21	-149
Finland	-4	0	-4	12	7	5
<b>Total Regional</b>	<b>-70</b>	<b>2</b>	<b>-72</b>	<b>146</b>	<b>217</b>	<b>-71</b>
Interregional	-11	-2	-9	-4	40	-44
HQ and other	-69	-7	-62	-105	-25	-80
<b>EBIT</b>	<b>-150</b>	<b>-7</b>	<b>-143</b>	<b>37</b>	<b>232</b>	<b>-195</b>
Financial net	-38	-32	-6	-267	-173	-94
<b>PBT</b>	<b>-188</b>	<b>-39</b>	<b>-149</b>	<b>-230</b>	<b>59</b>	<b>-289</b>

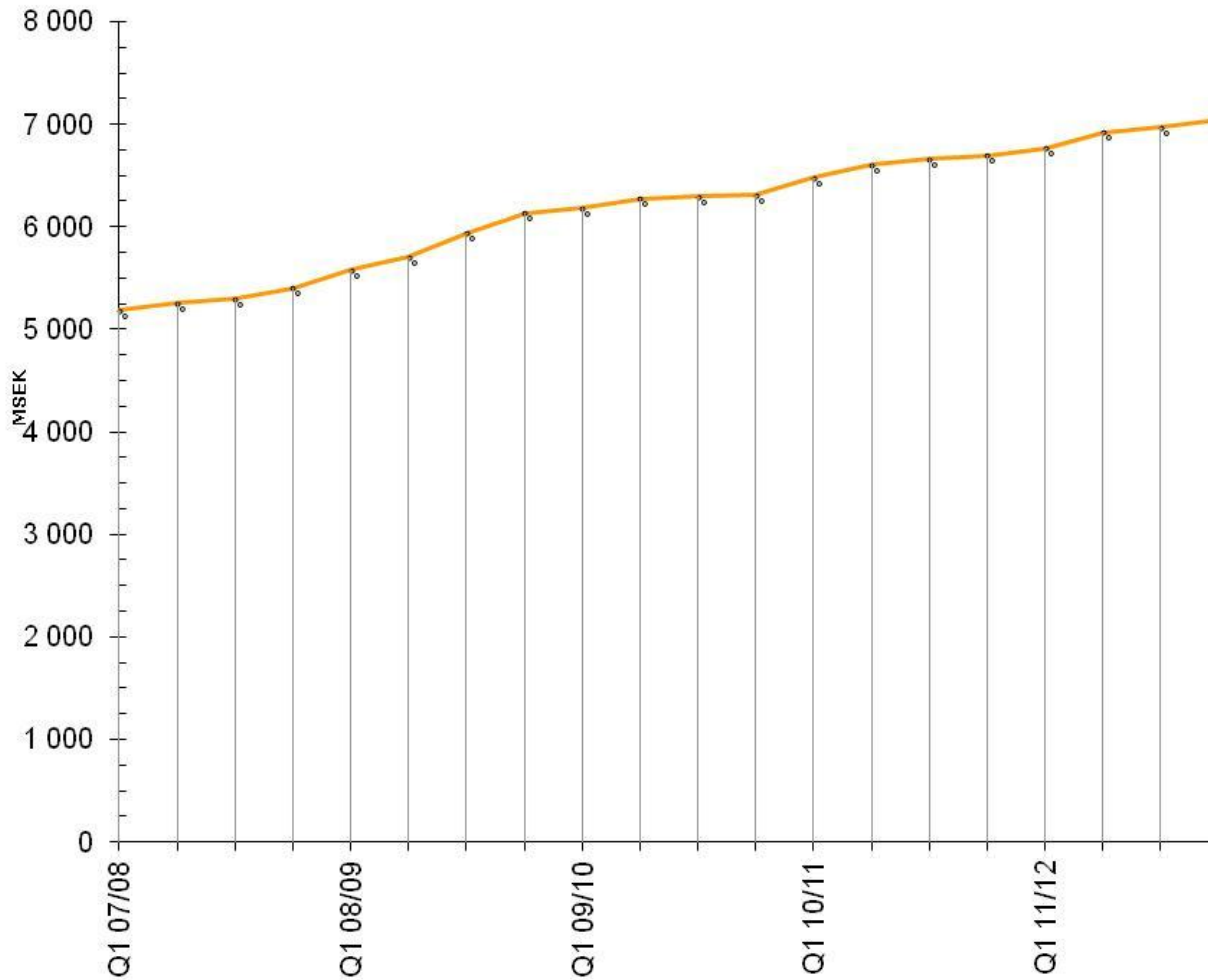
- Regional business EBIT below last year by MSEK -72 in Q4 and by MSEK -71 YTD
  - Positive development in Sweden by MSEK +20 in Q4 due to finalized large contract migration. MSEK +53 YTD from positive index and contract migrations
  - Significant decrease in Norway, MSEK -119 in Q4 and MSEK -149 YTD. Write-down of goodwill MSEK -84, Balance sheet clean-up MSEK -31, Start-up Tromsø MSEK -8 and MSEK 26 due to inefficiency impacts YTD
  - Despite extraordinary winter costs of MSEK 8 resulting in MSEK -4 lower earnings in Q4, Finland increased earnings by MSEK +6 YTD.
  - Denmark improved EBIT from better operations by MSEK +20 in Q4 and YTD
- Interregional EBIT decreased by MSEK -9 in Q4 and MSEK -44 YTD due to fewer passengers, price reductions and last year's traffic peak
- HQ includes Advisory costs MSEK -49 and 100 years anniversary MSEK -7
- EBIT before non-recurring was MSEK 21 in Q4 (-7), an increase by MSEK +28 for Q4

# Subsidiary overview, actuals full year



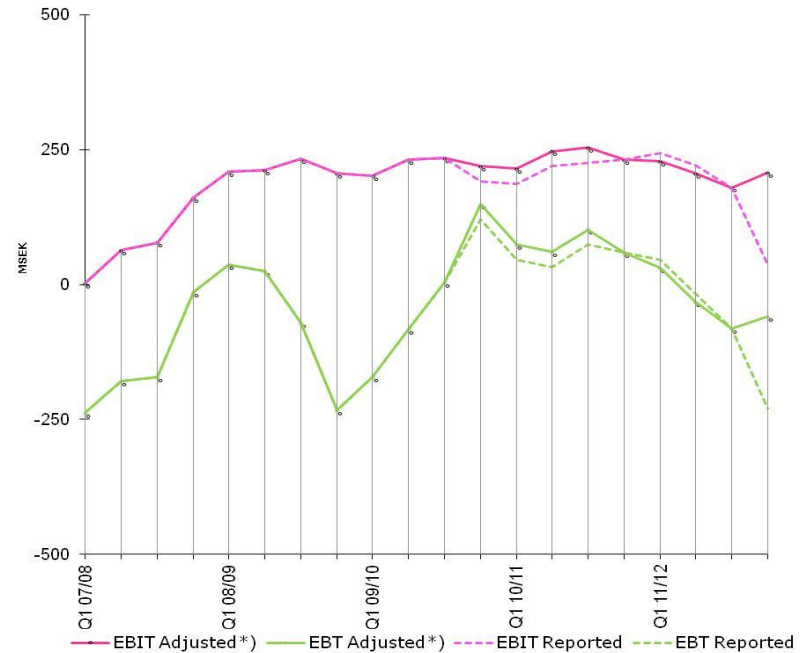
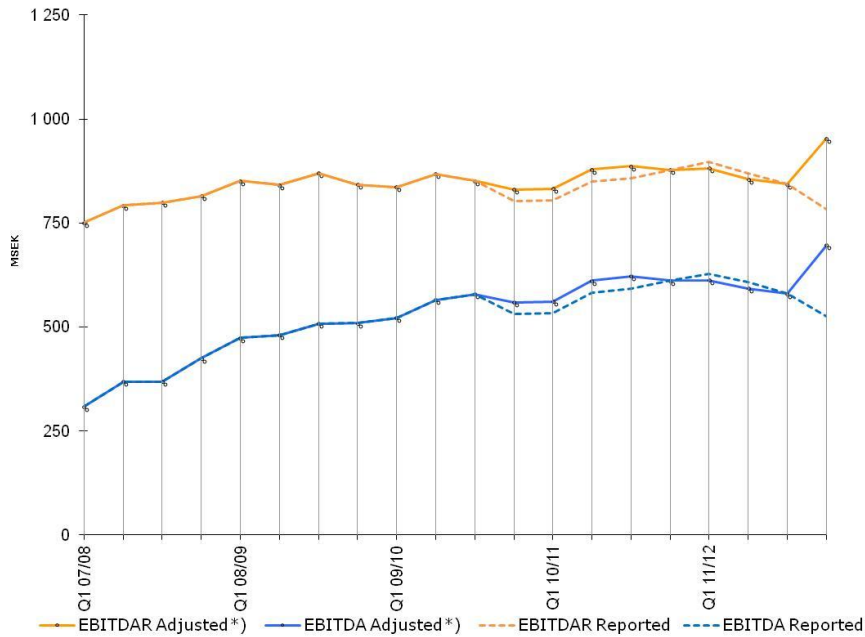
# Historical revenue trend

Rolling 4 quarters



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

Rolling 4 quarters



<sup>\*)</sup> Adjusted numbers are excluding one-offs and non-recurring in Q4 09/10, Q1 11/12 and Q4 11/12

# Cash flow

MSEK	Q4			Full year		
	11/12	10/11	△	11/12	10/11	△
Cash flow from operations before changes in working capital	24	87	-63	513	590	-77
Change in working capital	127	79	48	109	57	52
<b>Cash flow from operations</b>	<b>151</b>	<b>166</b>	<b>-15</b>	<b>622</b>	<b>647</b>	<b>-25</b>
Cash flow from investing activities	-30	-58	28	-42	-138	96
Cash flow from financing activities	-171	-158	-13	-700	-600	-100
<b>Cash flow for the period</b>	<b>-50</b>	<b>-50</b>	<b>0</b>	<b>-120</b>	<b>-91</b>	<b>-29</b>
Available cash *)	<b>107</b>	<b>225</b>	<b>-118</b>	<b>107</b>	<b>225</b>	<b>-118</b>

\*) Restricted cash of MSEK 153 (110) not included

- Q4 cash flow equal to prior year, leading to a decrease by MSEK -29 YTD
- Operating cash flow decreased by MSEK -63 in Q4 and MSEK -77 YTD
- Improved Working Capital, MSEK +48 in Q4 and MSEK +52 YTD, WC-facility drawn by MSEK +36
- Reduced investments, MSEK +28 in Q4 and +96 YTD, increased cash deposits MSEK -43
- Negative financing net, MSEK -13 in Q4 and -100 YTD from increased lease interest costs
- Refinancing ongoing of the senior notes due on 1 August 2012

# Nobina Europe AB Group

MSEK	Q4			Full year		
	11/12	10/11	△	11/12	10/11	△
<b>Net revenues</b>	<b>1 763</b>	<b>1 677</b>	<b>86</b>	<b>7 079</b>	<b>6 732</b>	<b>347</b>
Operating costs	-1 910	-1 743	-167	-7 203	-6 715	-488
<b>EBIT</b>	<b>-147</b>	<b>-66</b>	<b>-81</b>	<b>-124</b>	<b>17</b>	<b>-141</b>
Finance net	36	26	10	-7	8	-15
<b>Profit before tax</b>	<b>-111</b>	<b>-40</b>	<b>-71</b>	<b>-131</b>	<b>25</b>	<b>-156</b>
		<b>Q4</b>			<b>YTD</b>	
Split of finance net	11/12	10/11	△	11/12	10/11	△
Interest net	5	-6	11	-12	-65	53
FX net *)	31	32	-1	5	73	-68
<b>Total</b>	<b>36</b>	<b>26</b>	<b>10</b>	<b>-7</b>	<b>8</b>	<b>-15</b>
*)of which FX P/L on Senior Notes	28	29	-1	4	66	-62

# Conclusions

- Full year results showed improved situation in Sweden, Finland and Denmark, while inefficiency in Norway was very costly and Swebus lost volume due to change in demand
- Substantial write-offs affected the annual results
- Strong tender outcome increased our market share
- Preparations ongoing for refinancing of outstanding senior notes



# Going forward

- 1,800 buses in Nordic tenders during 2012, with low exposure for Nobina
- Continue contract exchange and increase partnership with PTA's in Nobina Sweden
- Increase efficiency and manage start-up of new contracts in Norway
- Reduction in costs and launching of new products by Swebus
- Continued reduction of losses in Denmark
- Explore market leadership in Finland
- We foresee an improved EBIT in FY 12 13, excluding non-recurring costs

After substantial contract migration and efficiency improvements, Nobina will be well positioned to explore opportunities in the low exposure year 2013



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