



# Nobina AB Group

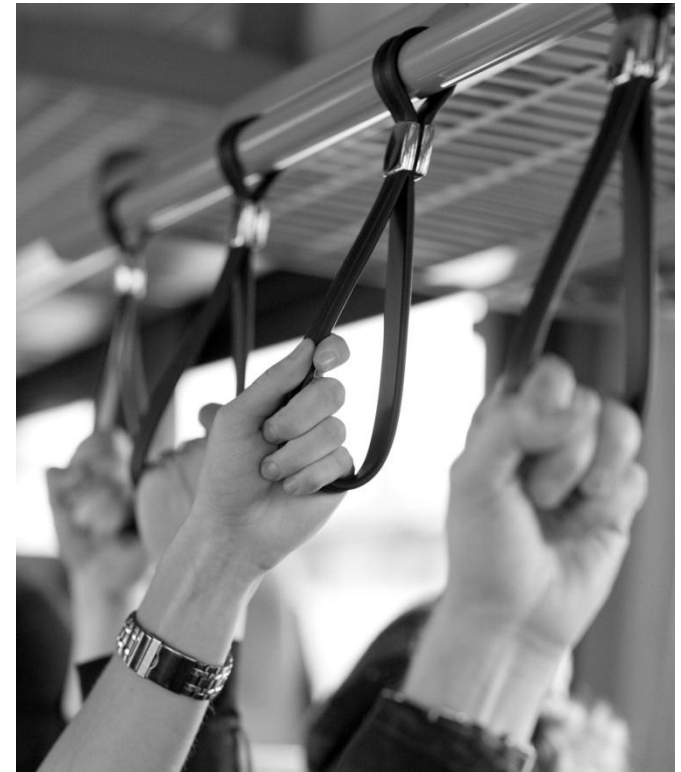
Investor Presentation Q2  
March – August 2012

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

- Strong performance in Sweden and Finland leads to record high first half-year EBIT
- Norway, apart from startup in Tromsö, is now trading better than last year
- New recommended contract terms agreed between PTA and operator organisations in Sweden
- Improved proposal announced on refinancing of our secured senior notes



# Financial highlights Q2

- Revenue decrease of -1.9% to MSEK 1,706 (1,739). Effect of contract migration in Q2
- EBIT of MSEK 83 (67); Significant contract migration, pension refund of MSEK +25 included
- Net earnings of MSEK 54 (-18), affected by F/X effect on Notes of MSEK 48 (-19)
- Earnings per share were SEK 2.16 (-0.74)
- Cash flow from operations of MSEK 200 (171)



# Financial highlights YTD

- Revenue decrease by -0.3% to MSEK 3,544 (3,553). Effect of contract migration
- EBIT of MSEK 148 (127); Significant contract migration, pension refund of MSEK +25 included in Q2
- Net earnings of MSEK 42 (-30), affected by F/X effect on Notes of MSEK 36 (-25)
- Earnings per share were SEK 1.67 (-1.21)
- Cash flow from operations of MSEK 366 (324)



# Market development

- After years of negotiations, the PTA and operator organisations in Sweden have agreed on improved and more balanced contract recommendations, which are now being presented around the country
- All four international competitors are reporting increased losses for 2011 in Sweden
- Nobina's EU claim filing, regarding continuous illegal subsidies to the publicly-owned Finnish bus operator HELB, has resulted in an open debate as to whether the Finnish state (VR Group) should acquire HELB

# Regional traffic business area

- Major tender announcements in Q2 include Nobina win in Helsingborg, Keolis win in Gothenburg and HELB win in Helsinki
- The task force in Norway has led to improved operational efficiency and management control in most contracts. Actions continue on the new Tromsø contract, financial control and startup of the Oslo Vest contract in October
- Successful start in August of the >100 bus contracts in Helsinki
- Own workshop was opened in Copenhagen during September
- Philipp Engedal took up the position as new managing director of Nobina Norge in September

# Interregional traffic business area

- Successful cost reduction to meet lower volume, including increased subcontractor partnerships
- New timetable optimized to improve load factor
- Slight upturn in passengers but at lower income per trip due to average shorter trips and price pressure
- Arlanda shuttle now awarded environmental criterion “Bra miljöval”



# Tender update – six months YTD

- Nobina submitted tenders for 453 buses worth MSEK 6,530
- Nobina won contracts for 112 buses worth MSEK 1,645
- Nobina started traffic for 189 buses and ended traffic for 298 buses

Tender update per country, six months YTD  (Number of buses unless stated)	Tenders during the period			Traffic changes during the period	
	Submitted	Won	Not won	Started	Ended
Sweden	167	88	79	79	87
Norway	0	0	0	0	111
Finland	169	24	145	110	96
Denmark	117	0	117	0	4
<b>Total regional traffic</b>	<b>453</b>	<b>112</b>	<b>341</b>	<b>189</b>	<b>298</b>

# Contract update – coming 12 months

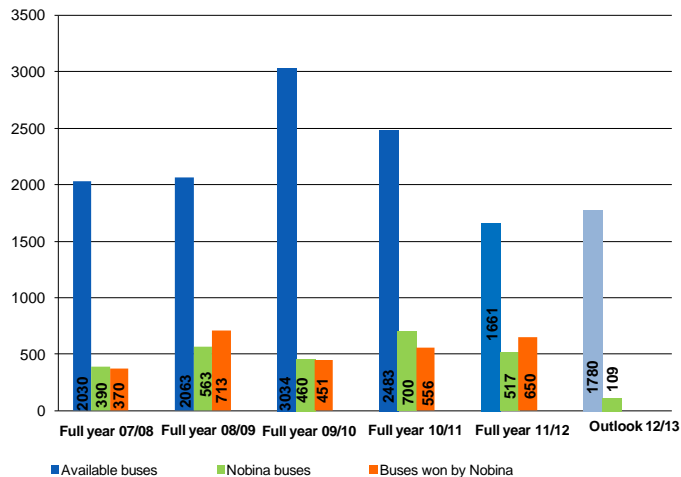
- During the coming 12 months, Nobina will start new contracts comprising 335 buses in Sweden, Finland, Norway and Denmark

Tender outcome per country	Traffic starts September 2012 – August 2013					
	PTA	Contract type	No. of years	Traffic start	No. of buses	Value (MSEK)
Sweden	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
	Västtrafik	Regional	2.5	December 2012	9	95
	Skånetrafiken	City	6	June 2013	79	1,150
Finland	HSL	City	6	January 2013	24	400
Norway	Ruter	City	7	October 2012	78	1,749
Denmark	Movia	City	6	October 2012	10	163
<b>Sum Regional Traffic</b>					<b>335</b>	<b>5,876</b>

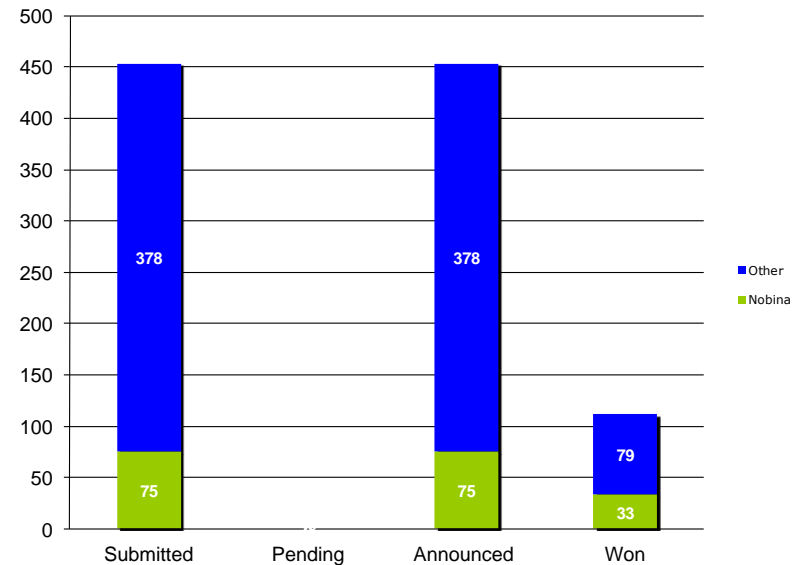
# Tender overview

- Renewal ratio YTD 149% → target 100% (won/own announced)
  - Success ratio 25% (won/announced)
  - Retention ratio 44% (defended/own announced)
  - Low own exposure, large tender volumes remaining

## 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



# Nobina AB Group

MSEK	Q2			YTD		
	12/13	11/12	△	12/13	11/12	△
<b>Net revenues</b>	<b>1 706</b>	<b>1 739</b>	<b>-33</b>	<b>3 544</b>	<b>3 553</b>	<b>-9</b>
<b>EBITDAR</b>	<b>258</b>	<b>235</b>	<b>23</b>	<b>487</b>	<b>460</b>	<b>27</b>
% of revenues	15,1%	13,5%		13,7%	12,9%	
<b>EBITDA</b>	<b>199</b>	<b>169</b>	<b>30</b>	<b>370</b>	<b>321</b>	<b>49</b>
% of revenues	11,7%	9,7%		10,4%	9,0%	
<b>EBIT</b>	<b>83</b>	<b>67</b>	<b>16</b>	<b>148</b>	<b>127</b>	<b>21</b>
% of revenues	4,9%	3,9%		4,2%	3,6%	
Interest income	1	-1	2	1	2	-1
Interest expenses	-68	-67	-1	-136	-137	1
FX net *)	39	-17	56	30	-22	52
<b>Earnings before tax</b>	<b>55</b>	<b>-18</b>	<b>73</b>	<b>43</b>	<b>-30</b>	<b>73</b>
Tax	-1	0	-1	-1	0	-1
<b>Earnings after tax</b>	<b>54</b>	<b>-18</b>	<b>72</b>	<b>42</b>	<b>-30</b>	<b>72</b>
*) of which FX P/L on Notes	48	-19	67	36	-25	61

- EBT was significantly higher than prior year MSEK 55 (-18) in Q2 and also YTD by MSEK 43 (-30).
- Positive SEK/Euro FX effect on the senior notes is the main reason: MSEK 48 (-19) in Q2 and MSEK 36 (-25) YTD.

# Revenue and EBIT bridges

MSEK	Revenue	EBIT
<b>YTD Mar 2011 – August 2011</b>	<b>3,553</b>	<b>127</b>
Price & Volume	255	-9
Contract changes	-271	-32
Indexation	51	29
Operational efficiency	-	46
Non-recurring costs	-	2
Fleet financing and utilization	-	6
Other	-43	-21
<b>YTD Mar 2012 – August 2012</b>	<b>3,544</b>	<b>148</b>

- YTD Total revenue MSEK 3,544 (3,553)
  - Price & Volume and indexation positive
  - Negative contract changes due to significant contract migration
- YTD Total EBIT increased by MSEK 21 to MSEK 148 (127)
  - Negative contract changes due to significant contract migration
  - Positive indexation and operational efficiency

# Revenue per business segment

MSEK	Q2			YTD		
	12/13	11/12	△	12/13	11/12	△
Sweden	1 141	1 199	-5%	2 372	2 474	-4%
Denmark	81	79	3%	167	157	6%
Norway	203	174	17%	440	351	25%
Finland	182	183	-1%	384	389	-1%
Eliminations	-10	-14	-29%	-18	-26	-31%
<b>Total Regional</b>	<b>1 597</b>	<b>1 621</b>	<b>-1%</b>	<b>3 345</b>	<b>3 345</b>	<b>0%</b>
Swebus	109	118	-8%	199	208	-4%
Eliminations	0	0	0%	0	0	0%
<b>Total Interregional</b>	<b>109</b>	<b>118</b>	<b>-8%</b>	<b>199</b>	<b>208</b>	<b>-4%</b>
<b>Total revenue</b>	<b>1 706</b>	<b>1 739</b>	<b>-2%</b>	<b>3 544</b>	<b>3 553</b>	<b>0%</b>

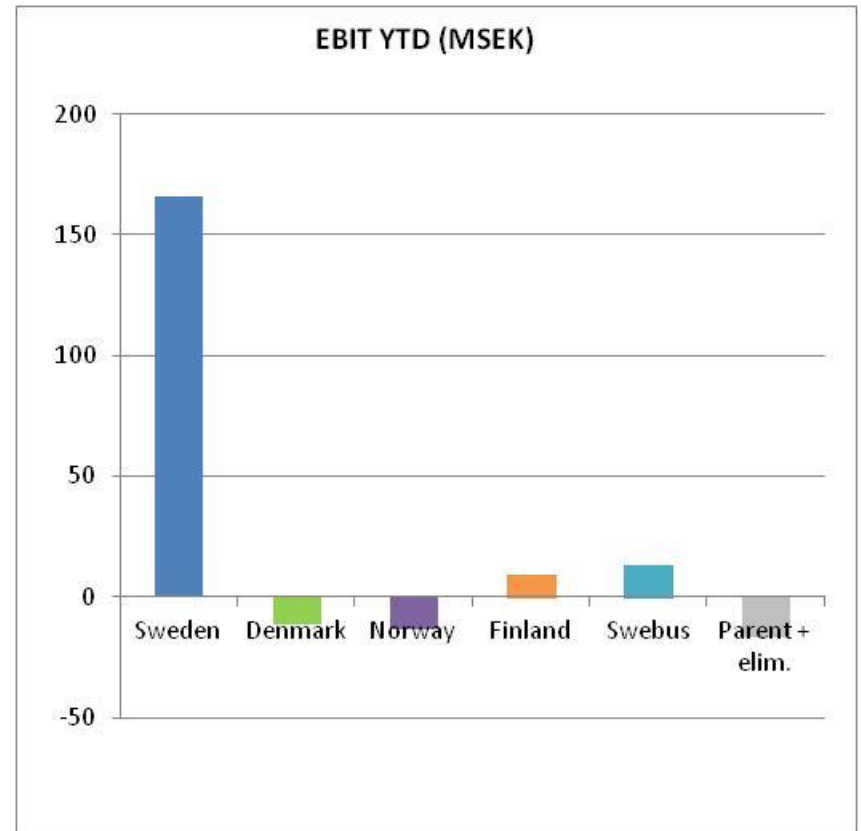
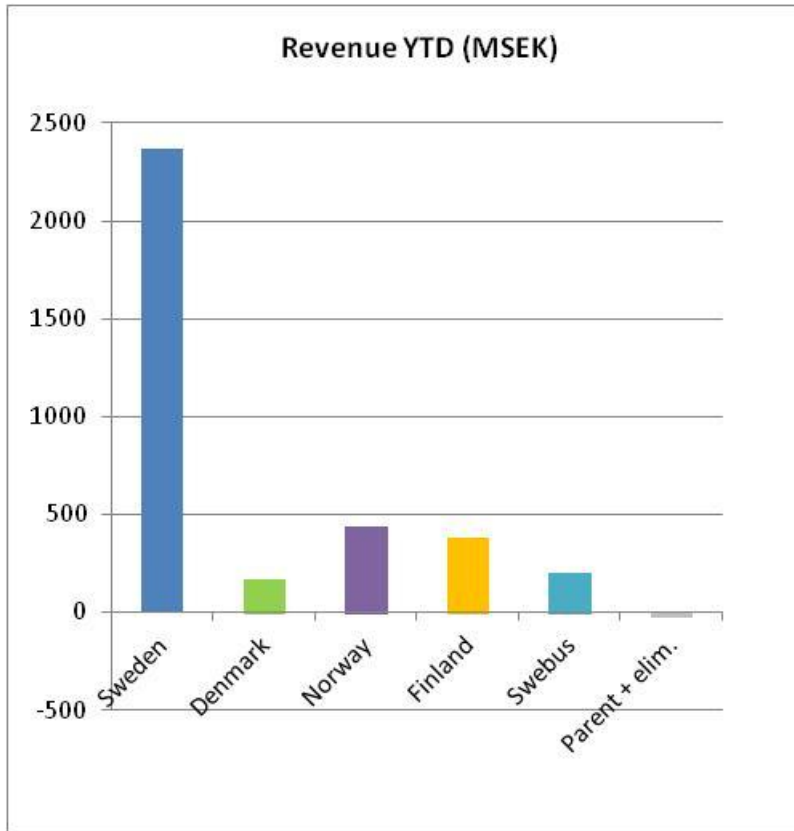
- Regional revenue decreased by MSEK -24 in Q2 and YTD is flat.
  - Sweden decreased due to effects of contract migration, primarily Bromma expiry in August.
  - Norway increased due to the Tromsö contract started in February.
  - Slight decrease in Finland due to negative indexation
  - Denmark increased due to positive volume and indexation
- Interregional revenue decreased by MSEK -9 in Q2 and YTD due to fewer passengers in Q2 than prior year. Positive ticket yield compensates partly.

# EBIT per business segment

MSEK	Q2			YTD		
	12/13	11/12	△	12/13	11/12	△
Sweden	81	61	20	166	139	27
Denmark	-6	-5	-1	-11	-17	6
Norway	-4	6	-10	-13	5	-18
Finland	7	0	7	9	6	3
<b>Total Regional</b>	<b>78</b>	<b>62</b>	<b>16</b>	<b>151</b>	<b>133</b>	<b>18</b>
Interregional	13	15	-2	13	13	0
HQ and other	-8	-10	2	-16	-19	3
<b>EBIT</b>	<b>83</b>	<b>67</b>	<b>16</b>	<b>148</b>	<b>127</b>	<b>21</b>
Financial net	-28	-85	57	-105	-157	52
<b>PBT</b>	<b>55</b>	<b>-18</b>	<b>73</b>	<b>43</b>	<b>-30</b>	<b>73</b>

- Regional business was above last year's strong EBIT by MSEK 16 in Q2 and MSEK 18 YTD
  - Positive development in Sweden due to stable contract performance following large migration last year and despite lower contract volume. MSEK +25 pension refund included
  - Decrease in Norway, improvements in most contracts, higher start-up costs in Tromsö.
  - Increase in Finland, successful startups and stability in most contracts
  - Denmark EBIT more negative in Q2, but still better than last year. In-house workshop started in Q2
- Interregional EBIT decreased in Q2 by MSEK -2 and is flat YTD. Passenger trend is negative but results improved by cost reductions and ticket yield.
- HQ costs slightly lower than last year both in Q2 and YTD

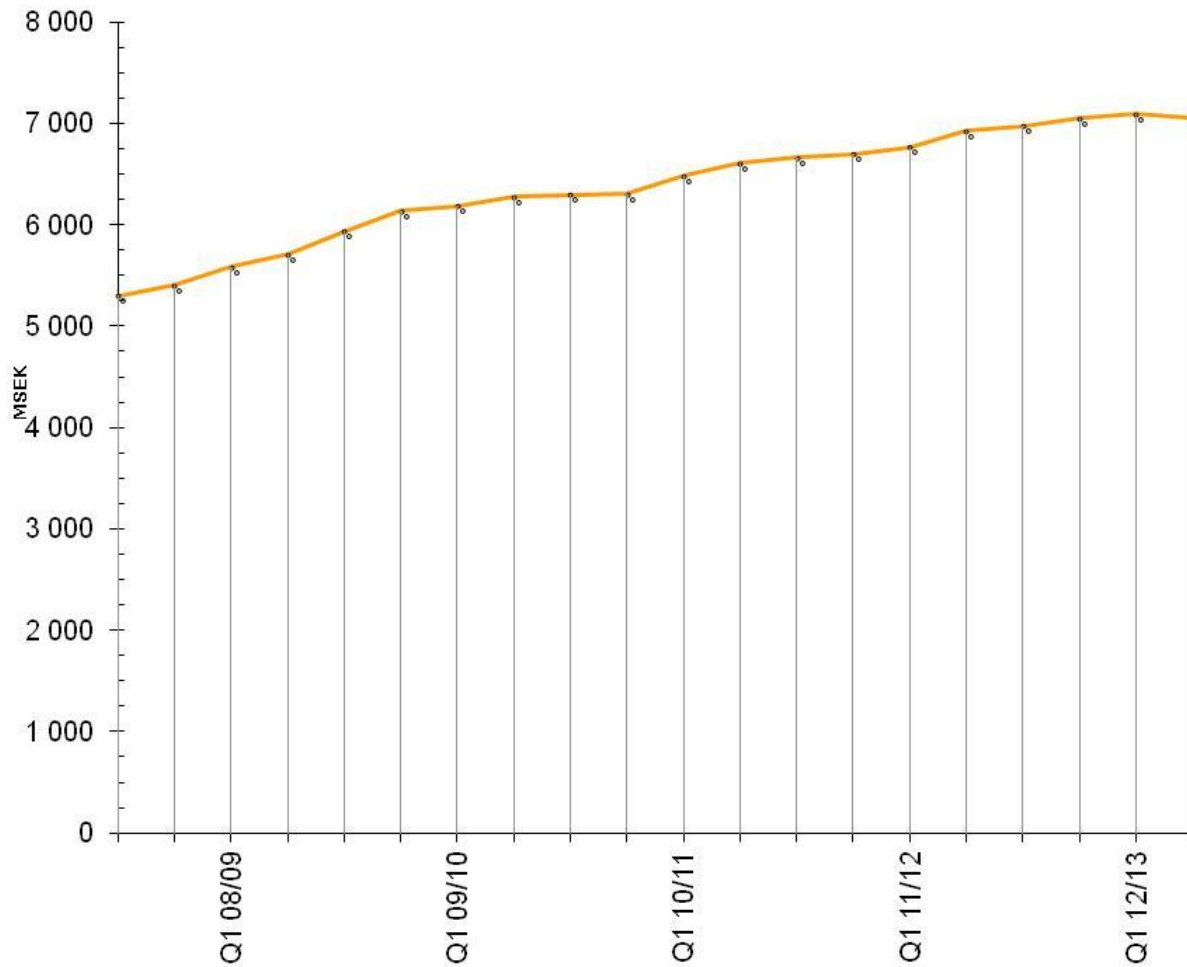
# Subsidiary overview, six months actuals





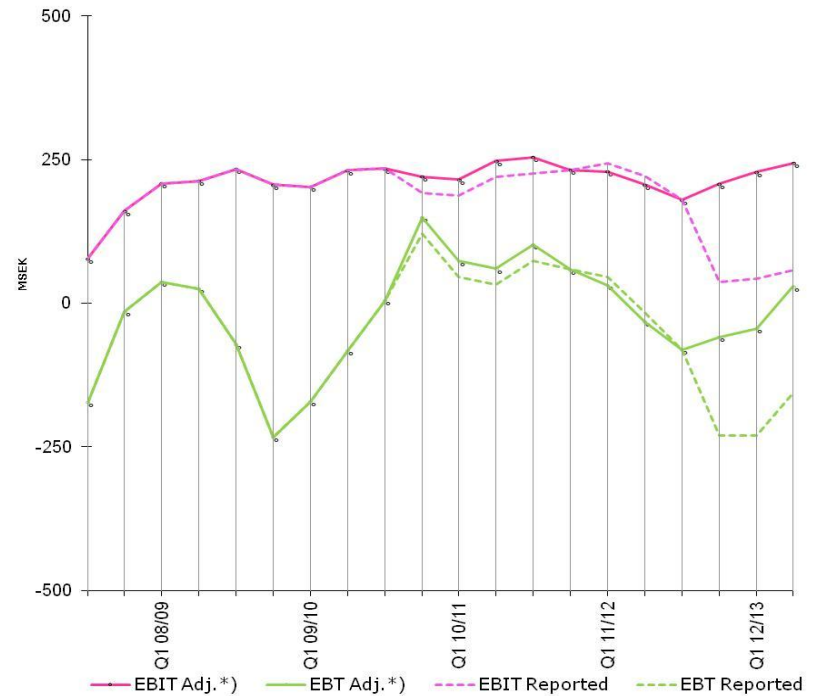
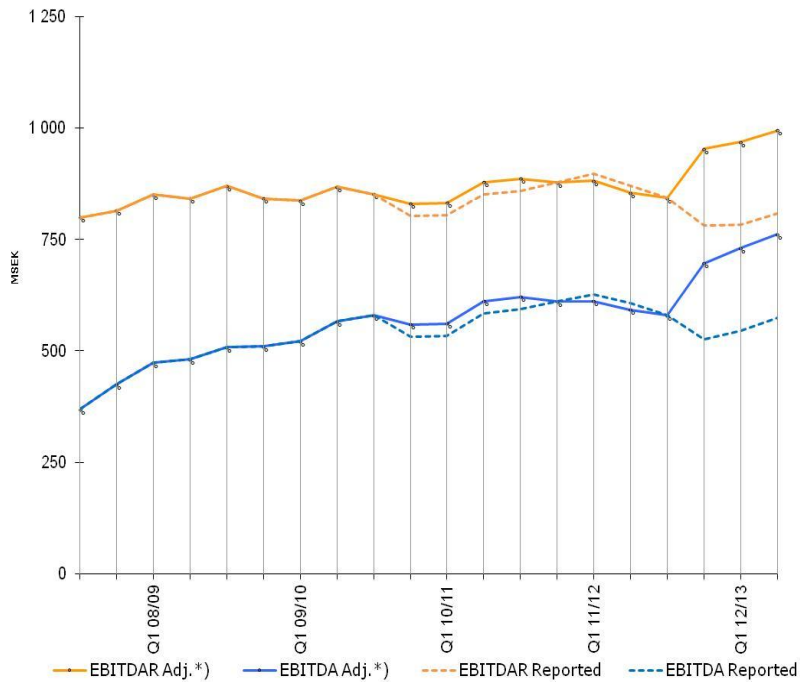
# Historical revenue trend

Rolling 4 quarters



# Historical earnings trend\*)

Rolling 4 quarters



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

# Cash flow

MSEK	Q2			YTD		
	12/13	11/12	△	12/13	11/12	△
Cash flow from operations before changes in working capital	200	171	29	366	324	42
Change in working capital	80	-91	171	38	-100	138
<b>Cash flow from operations</b>	<b>280</b>	<b>80</b>	<b>200</b>	<b>404</b>	<b>224</b>	<b>180</b>
Cash flow from investing activities	-68	-21	-47	-68	66	-134
Cash flow from financing activities	-150	-275	125	-291	-396	105
<b>Cash flow for the period</b>	<b>62</b>	<b>-216</b>	<b>278</b>	<b>45</b>	<b>-106</b>	<b>151</b>
Available cash *)	<b>150</b>	<b>124</b>	<b>26</b>	<b>150</b>	<b>124</b>	<b>26</b>

\*) Restricted cash of MSEK 166 (109) not included

- YTD Cash flow was MSEK 151 higher than prior year, despite prior year's MSEK 96 sale and leaseback.
- YTD Operating cash flow increased by MSEK 42 following improved operating result , primarily in Q2
- The positive working capital change relates to e.g. the expiry of large Stockholm contracts in August 2011
- Refinancing of the senior notes, extended to 31 October 2012, moving into execution phase

# CAPEX

MSEK	Q2			YTD		
	12/13	11/12	△	12/13	11/12	△
Investments in new buses	328	158	170	667	260	407
Other Investments	59	25	34	67	39	28
<b>Total Investments</b>	<b>387</b>	<b>183</b>	<b>204</b>	<b>734</b>	<b>299</b>	<b>435</b>
Lease financing	-328	-158	-170	-667	-260	-407
<b>Net Capex</b>	<b>59</b>	<b>25</b>	<b>34</b>	<b>67</b>	<b>39</b>	<b>28</b>

- Total capex of MSEK 387 (183) in Q2 and MSEK 734 (299) YTD, of which cash-financed miscellaneous capex was MSEK 59 (25) in Q2 and MSEK 67 (39) YTD
- Increase of Bus investments by MSEK 170 to MSEK 328 (158) in Q2 due to start up of large new contract volumes
- Increase of Bus investments by MSEK 407 to MSEK 667 (260) YTD due to start up of large new contract volumes
- All new buses have been lease financed

# Nobina Europe AB Group

MSEK	Q2			YTD		
	12/13	11/12	△	12/13	11/12	△
<b>Net revenues</b>	<b>1 722</b>	<b>1 748</b>	<b>-26</b>	<b>3 573</b>	<b>3 565</b>	<b>8</b>
Operating costs	-1 698	-1 734	36	-3 548	-3 551	3
<b>EBIT</b>	<b>24</b>	<b>14</b>	<b>10</b>	<b>25</b>	<b>14</b>	<b>11</b>
Finance net	51	-14	65	42	-36	78
<b>Profit before tax</b>	<b>75</b>	<b>0</b>	<b>75</b>	<b>67</b>	<b>-22</b>	<b>89</b>
		<b>Q2</b>			<b>YTD</b>	
Split of finance net	12/13	11/12	△	12/13	11/12	△
Interest net	5	6	-1	7	-12	19
FX net *)	46	-20	66	35	-24	59
<b>Total</b>	<b>51</b>	<b>-14</b>	<b>65</b>	<b>42</b>	<b>-36</b>	<b>78</b>
*)of which FX P/L on Senior Notes	48	-19	67	-36	-25	-11

# Refinancing status as of September 25

- Since the temporary extension of the old HYB from 1<sup>st</sup> August to 31<sup>st</sup> October expiry, close to 100% of the note holders supports a refinancing comprising;
  - Debt to equity swap by issue of shares in Nobina AB corresponding to approx. 25% of the old HYB, corresponding to a 95% stake in Nobina AB
  - The remaining part of the principal under the old senior notes is refinanced in a new note issue by Nobina Europe AB including the following indicative terms:
    - *SEK denomination with a Euro tranche exchangeable to SEK*
    - *Listed for trading on Nasdaq OMX in Stockholm*
    - *Five year term to maturity with a put option for the holders after two years, conditional on a strong cash build-up*
    - *Annual coupon of 11% payable in cash*
    - *Repayment possibility at par throughout the term of the notes*
  - Nobina AB will convene an extra general meeting in Nobina AB in order to issue the shares that the note holders will obtain

*Nobina AB's financial advisors are Swedbank First Securities and Handelsbanken Capital Markets*



# Conclusions

- Strong first half year EBIT and cash flow, including major start up of new contracts in Sweden and Finland
- Norway situation is stabilized and main actions on new contracts in Tromsö and Oslo
- Improved proposal announced for refinancing of outstanding senior notes



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