

Q1 Q2 Q3 Q4

**Nobina.**

*MARCH 1–AUGUST 31, 2013*



*EVERYONE WANTS TO TRAVEL WITH US*

*“The first six months was a fruitful period, and Nobina has won several important tenders.”*

*Ragnar Norbäck, President and CEO*

## FINANCIAL HIGHLIGHTS

### OF THE SECOND QUARTER OF 2013/2014

- Net sales amounted to SEK 1,718 million (1,706), an increase of 0,7 %.
- Operating profit reached SEK 107 million (83).
- Earnings after tax amounted to SEK 31 million (54), and earnings per share amounted to SEK 0,05 (2,16).
- Cash flow from the operations was SEK 209 million (282).
- Investments, primarily for the purchase of buses, amounted to SEK 18 million (387).

### OF THE FIRST SIX MONTHS OF 2013/2014

- Net sales amounted to SEK 3,564 million (3,544), an increase of 0,6 %.
- Operating profit reached SEK 172 million (148).
- Earnings after tax amounted to SEK 27 million (42), and earnings per share amounted to SEK 0,04 (1,67).
- Cash flow from the operations was SEK 371 million (406).
- Investments, primarily for the purchase of buses, amounted to SEK 54 million (734).

### BUSINESS HIGHLIGHTS OF THE FIRST SIX MONTHS OF 2013/2014

- Nobina Sweden won tenders for traffic contracts for Västtrafik, comprising around 250 buses and traffic for a period of eight years, with the option for an additional two years. The estimated value is close to SEK 4 billion over the contract period.

- Nobina Sweden won a tender for traffic in Malmö city, covering approximately 100 routed buses. The agreement is for ten years, with the option for three additional years, and is expected to be worth around SEK 2.5 billion over the term of the agreement.
- Nobina Finland won a tender for 31 buses in Helsinki, making Nobina the largest operator in Helsinki.
- Nobina Denmark was awarded the job guarantee price by TUC DK. The award is given to a business that has made an extraordinary, remarkable and commendable effort to reduce unemployment (mainly in the transport industry).
- Nobina Sweden won the tenders for traffic contract in Sundsvall, Njurunda, Timrå and Matfors, containing 200 employees and 80 buses for eight years. The contracts have a clear environmental imprint as Sundsvall city will be served by buses with hybrid technology.
- Nobina lost the tender for Härnösand, resulting in a decision to close operations affecting more than 30 employees.

### SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Nobina Sweden won a tender for traffic for Värmlandstrafiken. The contract comprise traffic of around 160 buses and run for a period of ten years, with option for an additional two years. The estimated total value is more than SEK 3 billion over the contract period, starting in December 2014.

## KEY RATIOS

The Group  
(SEK million,  
unless otherwise stated)

|                               | Quarter    |            | Period     |            | Full year     | Rolling 12m   |
|-------------------------------|------------|------------|------------|------------|---------------|---------------|
|                               | Jun-Aug 13 | Jun-Aug 12 | Mar-Aug 13 | Mar-Aug 12 | Mar 12-Feb 13 | Sep 12-Aug 13 |
| Sales                         | 1,718      | 1,706      | 3,564      | 3,544      | 7,212         | 7,232         |
| Operating profit              | 107        | 83         | 172        | 148        | 246           | 269           |
| Earnings after finance net    | 41         | 55         | 44         | 43         | -9            | -9            |
| Earnings after tax            | 31         | 54         | 27         | 42         | 60            | 44            |
| Cash flow                     | 18         | 62         | -9         | 45         | 33            | -21           |
| Cash and cash equivalents     | -          | -          | 132        | 150        | 137           | -             |
| Equity ratio, %               | -          | -          | 3.6        | Neg        | 3.1           | -             |
| Shareholders' equity          | -          | -          | 207        | -13        | 187           | -             |
| Number of buses               | -          | -          | 3,406      | 3,448      | 3,455         | -             |
| Estimated full time positions | -          | -          | 7,070      | 6,530      | 7,868         | -             |

## CEO'S COMMENT

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### *IMPROVED PERFORMANCE AND INTENSIFIED BUSINESS ACTIVITY*

I am pleased to report improved performance for Nobina. Revenue for the first six months of 2013/2014 increased by 0,6 percent to SEK 3,564 (3,544) million and operating profit (EBIT) reached an all time high of SEK 172 million (148). In the second quarter revenue grew by 1 percent to SEK 1,718 million and operating result climbed to SEK 107 million (83).

The market in the fiscal year 2013/14 is characterized by an exceptional number of competitive tenders within regional traffic. Nobina has won several of the large tenders, whereof the most recent was for traffic contracts for Värmlandstrafiken. These contracts have an estimated value of more than SEK 3 billion, operating traffic of around 160 buses. The contracts run for a period of ten years with an option of an additional two years.

We also won tenders for contracts in Skaraborg and Borås with an estimated total value of close to SEK 4 billion over the contract period.

Nobina Finland won a tender for operating 31 buses in Helsinki, making Nobina the largest operator in Helsinki.

We won tenders for traffic contracts in the Sundsvall region, served by buses with hybrid technology.

Our ongoing work to shift to operating more incentive-based contracts, should contribute to stronger involvement of us as operator in developing public transportation and subsequently in enhanced customer experience and increased travelling.

An extensive contract portfolio and large tender volumes provide stability, while the growing number of contracts that feature incentives, allow for growth and better margins.

We are looking forward to a year of continued high business activity.

Stockholm, September 25, 2013

Ragnar Norbäck  
*President and CEO*

## MARKET OVERVIEW

In our markets there is stable, longterm growth in demand for public transport, fuelled by growing demand for mobility in society, ongoing urbanization and the desire of politicians and passengers alike to reduce negative environmental impact. The industry has also established the goal to double travel by public transport by 2020.

The market in the fiscal year 2013/14 is characterized by an exceptionally large number of tenders for competition within regional traffic. Nobina has been successful in winning several of the large tenders.

The Nordic model for competitive tendering in public transport continues to gain ground in Norway and Finland, resulting in an increasing number of available tender volumes.

Deregulation initiatives in these countries are having an increasingly greater impact. With the expiration of old concessions, more and more municipalities and county councils are entering into competitive tendering in Norway.

In Finland, a number of cities are now planning to make their first ever tendering, as a consequence of the new mandatory public procurement legislation in public transportation coming in to force in 2016.

However, we still experience less positive examples. Recently, Nobina Sweden decided not to participate in

the Dalarna tender due to very difficult contract terms and high commercial risks for the operator.

The EU is currently handling a number of matters regarding unlawful state aid to loss-making municipal public transport companies in Norway and Finland.

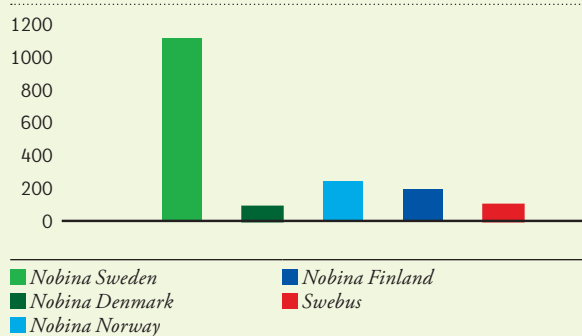
Nobina continues to participate in the joint industry work for improved and more balanced industry agreements between the PTAs and traffic companies, with the highest level of progress in Sweden. After several years of work, the agreed recommendations have been circulated for comment around the country. The implementation phase has been initiated, particularly to inform the PTAs.

The industry and the operators' organization have also initiated talks about quality issues concerning new buses delivered to the operators. The aim is to establish a united approach towards the bus producers regarding these issues.

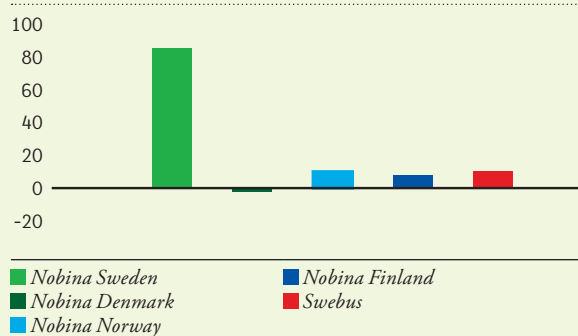
In Sweden, Nobina also continues to actively be part of various industry initiatives, within both regional and interregional traffic, as a consequence of the new Public Transport Deregulation Act, which entered into force in January 2012.

No further information has been communicated after Veolia's announcement to divest its remaining operations in the Nordic region, following several years of heavy losses.

**SHARE OF NET SALES BY BUSINESS AREA (Q2 2013/2014), SEK million**



**SHARE OF OPERATING PROFIT BY BUSINESS AREA (Q2 2013/2014), SEK million**



## DEVELOPMENT OF THE GROUP

### SALES

#### FIRST SIX MONTHS (March 1–August 31, 2013)

The Group's sales for the first six months of 2013/2014 amounted to SEK 3,564 million (3,544), which is an increase of 0,6 percent compared with the corresponding

period of last year. Sales were affected positively from price and volume development in existing contracts, as well as indexation.

| Revenues (SEK million)                        | Quarter      |              | Period       |              | Full year     | Rolling 12 m  |
|---|--------------|--------------|--------------|--------------|---------------|---------------|
|   | Jun-Aug 13   | Jun-Aug 12   | Mar-Aug 13   | Mar-Aug 12   | Mar 12-Feb 13 | Sep 12-Aug 13 |
| <b>Revenues per segment</b>                   |              |              |              |              |               |               |
| Nobina Sweden                                 | 1,114        | 1,141        | 2,339        | 2,372        | 4,808         | 4,775         |
| Nobina Denmark                                | 84           | 81           | 167          | 167          | 341           | 341           |
| Nobina Norway                                 | 240          | 203          | 496          | 440          | 946           | 1,001         |
| Nobina Finland                                | 193          | 182          | 402          | 384          | 801           | 819           |
| Elimination of sales to Interregional traffic | -9           | -10          | -16          | -18          | -39           | -27           |
| <b>Total regional traffic</b>                 | <b>1,622</b> | <b>1,597</b> | <b>3,388</b> | <b>3,345</b> | <b>6,857</b>  | <b>6,909</b>  |
| Swebus  | 96           | 109          | 176          | 199          | 355           | 332           |
| Elimination of sales to regional traffic      | -            | -            | -            | -            | -             | -             |
| <b>Total interregional traffic</b>            | <b>96</b>    | <b>109</b>   | <b>176</b>   | <b>199</b>   | <b>355</b>    | <b>332</b>    |
| <b>Total revenues</b>                         | <b>1,718</b> | <b>1,706</b> | <b>3,564</b> | <b>3,544</b> | <b>7,212</b>  | <b>7,241</b>  |

### EARNINGS

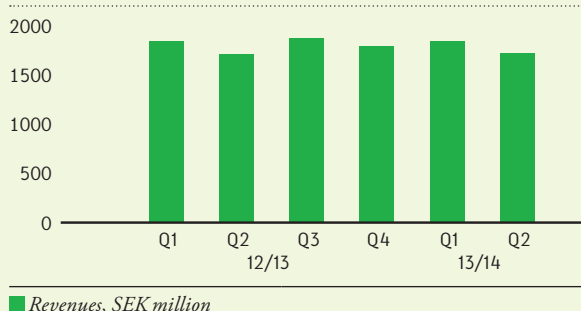
#### FIRST SIX MONTHS (March 1–August 31, 2013)

The first six months continued to show stable results. Operating profit was a record high SEK 172 million (148), of which SEK 180 million (151) relates to regional traffic and SEK 3 (13) million to interregional traffic. The operating profit is considered strong as it covers start up of several new contracts resulting in a significant contract migration leading to a very young contract portfolio. This results in heavy investments and proportionally lower

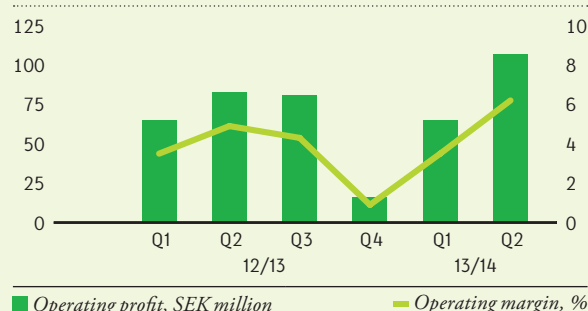
operating result as new contracts have significantly lower operating profit in its initial phase compared with the end phase of the contract period. Fleet financing costs was slightly better than plan due to strong SEK vs. NOK and HQ costs was lower due to more efficient IT.

Earnings before tax is lower than last year due to non-realized exchange rate profit/loss of -6 (39) for the quarter and -8 (30) for the first six months.

#### REVENUES



#### OPERATING PROFIT AND MARGIN





# NOBINA INTERIM REPORT MARCH–AUGUST, 2013

|                                       | Quarter    |            | Period     |            | Full year     | Rolling 12m   |
|---------------------------------------|------------|------------|------------|------------|---------------|---------------|
|                                       | Jun-Aug 13 | Jun-Aug 12 | Mar-Aug 13 | Mar-Aug 12 | Mar 12-Feb 13 | Sep 12-Aug 13 |
| <b>Operating profit (SEK million)</b> |            |            |            |            |               |               |
| Operating profit per segment          |            |            |            |            |               |               |
| Nobina Sweden                         | 85         | 81         | 163        | 166        | 303           | 300           |
| Nobina Denmark                        | -2         | -6         | -9         | -11        | -26           | -24           |
| Nobina Norway                         | 10         | -4         | 8          | -13        | -25           | -4            |
| Nobina Finland                        | 8          | 7          | 18         | 9          | 32            | 41            |
| <b>Total regional traffic</b>         | <b>101</b> | <b>78</b>  | <b>180</b> | <b>151</b> | <b>284</b>    | <b>313</b>    |
| Swebus                                | 10         | 13         | 3          | 13         | 5             | -5            |
| <b>Total inter-regional traffic</b>   | <b>10</b>  | <b>13</b>  | <b>3</b>   | <b>13</b>  | <b>5</b>      | <b>-5</b>     |
| Central functions and other items     | -4         | -8         | -11        | -16        | -43           | -39           |
| <b>Total operating profit</b>         | <b>107</b> | <b>83</b>  | <b>172</b> | <b>148</b> | <b>246</b>    | <b>269</b>    |

| Explanation items<br>for revenue and<br>earnings growth<br>(SEK million) | Revenues and earnings |            |           |
|--|-----------------------|------------|-----------|
|  | Revenues              | EBIT       | EBT       |
| <b>Period</b>  |                       |            |           |
| <b>Mar 2012–Aug 2012</b>   | <b>3,544</b>          | <b>148</b> | <b>43</b> |
| Price and volume   | -76                   | 16         | 16        |
| Contract changes   | 63                    | -34        | -34       |
| Indexation   | 25                    | 22         | 22        |
| Business efficiency  |                       | -25        | -25       |
| One-off costs  |                       | 0          | 0         |
| Fleet finance and utilization  |                       | 7          | 7         |
| Other  | 8                     | 38         | 3         |
| Financial net  |                       |            | -23       |
| <b>Period</b>  |                       |            |           |
| <b>Mar 2013–Aug 2013</b>   | <b>3,564</b>          | <b>172</b> | <b>44</b> |

- **Price and volume** growth represents changes in performed traffic volumes, as well as changes in prices for performed traffic and their effect on sales and earnings.
- **Contract changes** show the effect on sales and earnings of changes in the contract portfolio in the form of terminated old contracts and startup of new contracts.
- **Indexation** shows the effect of price adjustments on sales and earnings, as regards compensation for underlying cost inflation in the operation of traffic within the scope of awarded traffic contracts.
- **Business efficiency** shows the effect on earnings of efficiency developments concerning personnel costs, maintenance, damage, etc.
- **Fleet finance and use** shows the effect on earnings of changes in financing terms and efficiency in the use of vehicles.
- In addition, the effects on current sales and earnings of certain specific and other factors are shown.

## Financial position

Available cash and cash equivalents at the end of the period amounted to SEK 132 million (150). In addition, the Group had funds in escrow of SEK 173 million (166), primarily as security for mandatory guarantees for submitted tenders and traffic contracts. The Group has a SEK 300 million invoice factoring facility with a finance company, of which SEK 100 million has been subordinated and utilized by SEK 16 million as per August 31, 2013. A bank overdraft facility of SEK 50 million was established last year, of which SEK 0 million was drawn as per August 31, 2013.

Shareholders' equity in the Group amounted to SEK 207 million (-13). The equity ratio at the end of the quarter was 3.6 percent, compared with a negative position last year.

In May, Nobina Europe made its first interest payment of SEK 30 million for the corporate high yield bond that was listed on NASDAQ OMX in December 2012. The bond is worth approximately SEK 550 million, and was issued as new five-year notes denominated in SEK. It has an annual coupon of 11 percent and is fully redeemable at face value throughout the term to maturity.

## Investments

The Group's cash investments during the first half of the year relate to the purchase of other non-current assets and the purchase of buses including accessories in the amount of SEK 54 million (734). Through its subsidiary, Nobina Fleet AB, the Group signed financial leasing agreements with an acquisition value of SEK 36 million (667). The Group's financial lease agreements are classified in the balance sheet as non-current assets and the lease obligations are reported as a liability in the balance sheet. Depreciation/amortization and interest expenses are reported in the income statement.

During the period, Nobina Group sold buses and other fixed assets for SEK 2 million (14 million). The sale entailed a capital loss of SEK -8 million (-5).

**Cash flow**

Cash flow from operations amounted to SEK 371 million (406) before net investments, and SEK 357 million (338) after net investments.

**Taxes**

Significant management judgement is required in determining current tax liabilities and assets as well as provisions for deferred tax liabilities and assets, in particular as regards valuation of deferred tax assets. As part of this process, income taxes has to be calculated by assessing temporary differences. Resulting from the different valuation of certain assets and liabilities in the financial statements and in the tax returns. Management must also assess the probability that the deferred tax assets will be recovered from future taxable income. For additional information on deferred tax assets, liabilities, their carrying values and accumulated loss carry-forwards (see Note 11 in the Annual Report 2012/2013). Deferred tax increased to SEK -10 million (0) in the second quarter of 2013/2014.

## BUSINESS AREA REGIONAL TRAFFIC

The first six months of 2013/2014 started in a stable way for our regional business. Sales amounted to SEK 3,388 million (3,345), an increase of 1.3 percent. Operating profit increased to SEK 180 million (151). Sales were affected positively from price and volume development in existing contracts, as well as indexation.

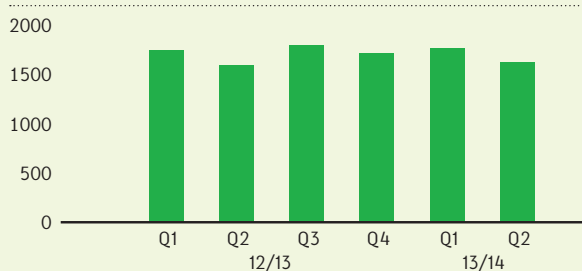
This year there are relatively few expiring and start-up contracts for Nobina. Instead, it is a year with a large number of tenders with impact on next year. During the six months period, Nobina won contracts for 127 buses worth SEK 2,300 million. We also submitted tenders for 650 buses to a total contract value of SEK 10,100 million.

**Nobina Sweden** compensated high maintenance costs by additional volume. We won Malmö Södervärn in

April, a ten year contract including around 100 buses with annual revenues of SEK 240 million. No initial investments are required from Nobina, as all buses are owned by the PTA at start. Instead, Nobina will manage divestment and replace them with new buses in 2017/2018. We are particularly happy for this contract win, as we already operate the other half of the transportations in Malmö. Traffic start is June 2014, but the contract is yet to be finalized due to an appeal of the tender to the Administrative Court of Appeal.

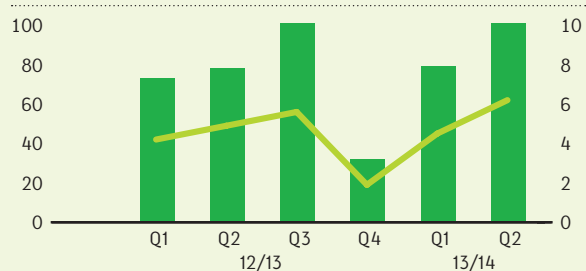
In the beginning of June, Nobina Sweden won tenders for traffic contracts for Västtrafik. The contracts comprise traffic of around 250 buses and run for a period of eight years, with the option for an additional two years.

### 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                        | 1,251                     | 622        | 44         | 90                                | 102        |
| Norway                        | 42                        | 0          | 0          | 0                                 | 0          |
| Finland                       | 153                       | 69         | 84         | 65                                | 88         |
| Denmark                       | 36                        | 0          | 36         | 0                                 | 0          |
| <b>Total regional traffic</b> | <b>1,482</b>              | <b>691</b> | <b>164</b> | <b>155</b>                        | <b>190</b> |

### PLANNED TRAFFIC STARTS, COMING 12 MONTHS

#### Traffic starts September 2013 – August 2014

| Tender outcome per country  | PTA               | Contract type | Number of years | Traffic start | Number of buses | Value (SEK million) |
|-----------------------------|-------------------|---------------|-----------------|---------------|-----------------|---------------------|
| Sweden                      | Skånetrafiken     | Regional      | 7               | October 2013  | 18              | 360                 |
|                             | LT Västernorrland | City/Regional | 8               | June 2014     | 76              | 758                 |
|                             | LT Västernorrland | City/Regional | 8               | June 2014     | 15              | 180                 |
|                             | Skånetrafiken     | City          | 10              | June 2014     | 96              | 2,328               |
|                             | Skånetrafiken     | City          | 5               | June 2014     | 13              | 266                 |
|                             | Västtrafik        | City          | 8               | June 2014     | 185             | 4,400               |
| Finland                     | Västtrafik        | City/Regional | 8               | August 2014   | 50              | 1,408               |
|                             | HSL               | City          | 6               | January 2014  | 31              | 690                 |
| <b>Sum Regional Traffic</b> |                   |               |                 |               | <b>484</b>      | <b>10,390</b>       |



The estimated total value is close to SEK 4 billion over the contract period. Nobina will maintain responsibility for city, region and express bus traffic in Skaraborg, starting in June 2014, and take over city traffic in Borås starting in August 2014.

Nobina also had a successful city traffic start in Helsingborg in June. The traffic comprises approximately 80 buses and 200 new employees. It is valid for six years and worth more than SEK 1 billion. The contract is incentive based (depending on the number of passengers) at between 30–40 percent of the total contract value.

In August, Nobina won tenders for traffic contracts in the Sundsvall region, with a clear environmental imprint as Sundsvall city will be served by buses with hybrid technology. The contracts affect 200 employees and 80 buses for eight years.

A number of tenders have been submitted or are upcoming, such as Stockholm (320 buses).

**Nobina Finland** continues its solid development, with lower maintenance and damage costs offsetting higher sickleave and thereby overtime, as well as negative index. Nobina Finland won a tender for 31 buses in Helsinki,

making Nobina the largest operator in Helsinki. Traffic will start in the beginning of 2014 and 2015, and will end in 2020 (with option for three additional years).

The Finnish operations are awaiting new cities to announce their public bus transportation for tender.

**Nobina Norway** is showing a small profit due to improved operational control and enhanced efficiency throughout our nine traffic contracts in the country. Particularly, staff costs have been favourable.

It is two out of Nobina Norway's nine traffic contracts that show losses at the moment, of which one will expire in the autumn of 2014. The Tromsø contract is showing improvements, but we are in continued discussions with the PTA to resolve issues.

Coming tenders are Oslo East (50 buses) and Vestfold (90 buses).

**Nobina Denmark** continues its positive development, with low maintenance and staff costs.

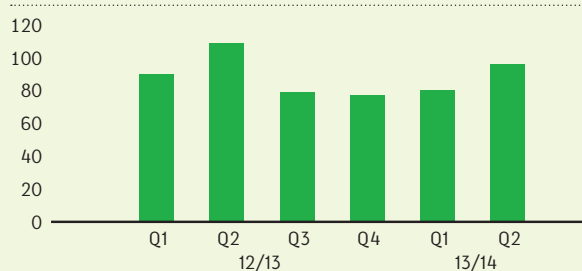
Nobina Denmark was also chosen as one of four nominees to be awarded the "Best place to work" in Randers by the Danish union 3F.

## BUSINESS AREA INTERREGIONAL TRAFFIC

Swebus continued to struggle with low volume and intense price competition. Sales amounted to SEK 176 million (199), which is a decrease of 11 percent. Operating profit decreased to SEK 3 million (13).

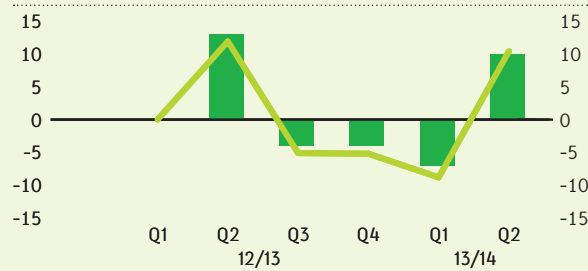
The state-owned competitor NettBuss has executed aggressive price campaigns on the west coast, the competition from the railway on the Stockholm-Gothenburg line is intense, and the Arlanda shuttle faced heavy com-

### REVENUES



■ Revenues, SEK million

### OPERATING PROFIT AND MARGIN



■ Operating profit, SEK million

— Operating margin, %

| Trend interregional traffic (Swebus) | Quarter    |            | Period     |            | Full year     | Rolling 12 m  |
|--------------------------------------|------------|------------|------------|------------|---------------|---------------|
|                                      | Jun-Aug 13 | Jun-Aug 12 | Mar-Aug 13 | Mar-Aug 12 | Mar 12-Feb 13 | Sep 12-Aug 13 |
| Number of passengers                 | 535,834    | 593,443    | 1,011,694  | 1,092,177  | 1,968,466     | 1,887,989     |
| Number of driven km                  | 4,039,729  | 4,807,709  | 7,871,800  | 9,007,684  | 16,472,496    | 15,336,616    |
| Load factor, %                       | 51         | 50         | 49         | 46         | 44            | 45.4          |
| Average revenues/km (SEK)            | 18.6       | 22.6       | 22.5       | 22.1       | 21.5          | 21.7          |
| Average revenues/passenger (SEK)     | 181        | 183        | 175        | 182        | 173           | 176           |

petition until it was terminated in August. Also, domestic air has an influence on competition. The market segment for interregional bus travelling is currently shrinking as a result.

Swebus has taken actions mainly by reducing capacity, cutting the marketing budget and centralizing traffic management.

During the period Swebus has also decided to discontinue its traffic with direct shuttle buses between Stockholm City and Arlanda airport (Airport Transfer). The main reason is Stockholm Public Transport's (SL) new shuttle on the same route, that no longer makes Swebus's bus traffic commercially viable. At the same time, SL's investment means that the tax payers subsidize around half of the shuttle's ticket price, which we do not support. Swebus withdrew its Airport Transfer from traffic on August 19, 2013.

## PERSONNEL

Nobina Group had on average 7,070 (6,530) employees. Nobina Group applies collective agreements in accordance with trade unions in all countries where the company operates. There are well-established practices and traditions for negotiations on work times, compensation conditions, information and cooperation.

Nobina Sweden and Swebus have a whistleblower function, with the employee representative counsel MOM (medarbetarombudet). This is working well, with around 30 reports on deviations that have been followed up on. Next step is to implement this function throughout the Group.

## SIGNIFICANT EVENTS AFTER THE FIRST SIX MONTHS OF 2013/2014

- Nobina Sweden won tenders for traffic contracts for Värmlandstrafiken. The contracts comprise traffic of around 160 buses and run for a period of ten years, with the option for additional two years. The estimated total value is more than SEK 3 billion over the contract period, starting in December 2014.

## PARENT COMPANY

The parent company has 78 (65) employees who are engaged in overall Group management, financial administration, IT, HR and wage functions, control and analysis. The parent company's sales, which consist exclusively of internal invoicing of services, amounted during the period to SEK 92 million (78). The parent company's earnings before tax were SEK 30 million (25) and cash and cash equivalents at the end of the period were SEK 59 million (165), of which SEK 59 million (55) were funds in restricted bank accounts. Investments in intangible and tangible non-current assets amounted to SEK 0 million (17). Shareholders' equity for the parent company amounted to SEK 2,584 million (2,332).

## TRANSACTIONS WITH CLOSELY RELATED PARTIES

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

## 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 the high timetable production due to a large number of weekdays and a high level of social activity, while the second quarter is weakest due to low timetable production during the holiday period. The trend for interregional operations differs, with the second quarter being strongest due to a high number of passengers during the holiday period, while the third quarter is the weakest due to a small number of holidays, resulting in fewer passengers. The breakdown of sales and earnings per quarter for regional and interregional traffic last year is shown in the key ratio table on page 18.

## RISKS AND UNCERTAINTY FACTORS

The Nobina Group 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. 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 corporate bond of SEK 550 million matures on October 31, 2017. The risk is offset by the fact that the current bonds are primarily held by the shareholders of the Group's parent company, Nobina AB.

The Nobina Group was exposed to exchange rate fluctuations on the old Senior Notes which were denominated in EUR. This risk is now almost eliminated as the new bonds are denominated in SEK, except for 5 percent of the nominal amount. 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 90 percent of consumption. There is no indexation of revenues within Interregional traffic. Increased fuel prices are, instead, compensated for through increased ticket prices if market conditions so 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 August 31, 2013 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 2012/2013.

## DISPUTES

Nobina Norge AS has two outstanding disputes with Skyss Sunnhordaland and Nordhordaland amounting to NOK 31 million.

## ACCOUNTING PRINCIPLES

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

In the first quarter of 2013/2014, the interim reports was affected by the amendments standards IAS 19 Employee Benefits. The most significant amendment in 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 are altered compared with the Group's accounting policies in the Annual Report 2012/2013 as well as previously published interim reports. The new policies are affecting the financial statements retroactively and therefore opening balance at 2012-03-01 was restated. Furthermore, the comparative figures for the second quarter of 2012/2013 are 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).

## OTHER

This is an in-house English translation. This report is also available on [www.nobina.com](http://www.nobina.com).

## TELEPHONE CONFERENCE

Nobina will present the interim report and reply to questions during a telephone conference on Thursday, September 27, at 10.00 am CET. The presentation will be available on the website in connection 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.

## ASSURANCE

The CEO hereby provides an assurance that the report for the second 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 companies in the Group.

Stockholm, September 25, 2013

Ragnar Norbäck  
President and CEO

## FUTURE REPORTS

Interim report for the third quarter 2013/2014

December 20, 2013

Results 2013/2014

April 25, 2014

## CONTACTS

For further information please contact:

|                                   |                  |
|-----------------------------------|------------------|
| Ragnar Norbäck, President and CEO | +46 8-410 65 000 |
| Per Skärgård, CFO                 | +46 8-410 65 056 |
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[www.nobina.com](http://www.nobina.com)  
Reg. no. 556576-4569

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

*The Nobina group is the largest company in the Nordic region within the area of public transport by bus. The operations include contractual regional traffic in Sweden, Norway, Finland and Denmark as well as inter-regional traffic through the subsidiary Swebus. The Nobina Group has revenues in excess of SEK 7 billion, operates 3,500 buses and, with approximately 260 million passenger journeys per year, is one of the larger passenger transport companies in northern Europe. More information is available on [www.nobina.com](http://www.nobina.com)*

# NOBINA INTERIM REPORT MARCH–AUGUST, 2013

## CONSOLIDATED INCOME STATEMENT IN BRIEF

| SEK million, unless otherwise stated                                      | Quarter      |              | Period       |              | Full year     |
|---|--------------|--------------|--------------|--------------|---------------|
|   | Jun–Aug 13   | Jun–Aug 12   | Mar–Aug 13   | Mar–Aug 12   | Mar 12–Feb 13 |
| <b>Net sales</b>  | <b>1,718</b> | <b>1,706</b> | <b>3,564</b> | <b>3,544</b> | <b>7,212</b>  |
| <b>OPERATING EXPENSES</b>   |              |              |              |              |               |
| Fuel, tires and other consumables   | -369         | -393         | -784         | -832         | -1,702        |
| Other external expenses   | -263         | -286         | -554         | -582         | -1,179        |
| Personnel expenses  | -852         | -824         | -1,799       | -1,755       | -3,606        |
| Capital losses from the disposal of non-current assets                    | -2           | -4           | -8           | -5           | -15           |
| Depreciation/amortization and impairment of PPE and intangible assets     | -125         | -116         | -247         | -222         | -464          |
| <b>OPERATING PROFIT</b>   | <b>107</b>   | <b>83</b>    | <b>172</b>   | <b>148</b>   | <b>246</b>    |
| <b>PROFIT FROM NET FINANCIAL ITEMS</b>                                    |              |              |              |              |               |
| Financial income  | 2            | 1            | 3            | 1            | 9             |
| Financial expense, Note 2   | -68          | -29          | -131         | -106         | -264          |
| <b>NET FINANCIAL ITEMS</b>  | <b>-66</b>   | <b>-28</b>   | <b>-128</b>  | <b>-105</b>  | <b>-255</b>   |
| <b>EARNINGS BEFORE TAX</b>  | <b>41</b>    | <b>55</b>    | <b>44</b>    | <b>43</b>    | <b>-9</b>     |
| Tax   | -10          | -1           | -17          | -1           | 69            |
| <b>NET EARNINGS FOR THE PERIOD</b>  | <b>31</b>    | <b>54</b>    | <b>27</b>    | <b>42</b>    | <b>60</b>     |
| Earnings for the period attributable to the parent company's shareholders | 31           | 54           | 27           | 42           | 60            |
| Earnings per share before dilution (SEK)                                  | 0.05         | 2.16         | 0.04         | 1.67         | 0.25          |
| Earnings per share after dilution (SEK)                                   | 0.05         | 2.16         | 0.04         | 1.67         | 0.25          |
| Average number of shares before dilution (thousands)                      | 632,611      | 24,928       | 632,611      | 24,928       | 238,033       |
| Average number of shares after dilution (thousands)                       | 632,611      | 24,928       | 632,611      | 24,928       | 238,033       |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| SEK million   | Quarter    |            | Period     |            | Full year     |
|---|------------|------------|------------|------------|---------------|
|   | Jun–Aug 13 | Jun–Aug 12 | Mar–Aug 13 | Mar–Aug 12 | Mar 12–Feb 13 |
| <b>Net earnings for the period</b>                              | <b>31</b>  | <b>54</b>  | <b>27</b>  | <b>42</b>  | <b>60</b>     |
| <b>Other comprehensive income</b>                               |            |            |            |            |               |
| Remeasurements of defined benefits pensionplan                  | -          | 1          | -          | 3          | 6             |
| Exchange rate differences on foreign operators                  | -6         | -1         | -7         | -1         | -5            |
| <b>Other comprehensive income for the period, net after tax</b> | <b>-6</b>  | <b>0</b>   | <b>-7</b>  | <b>2</b>   | <b>1</b>      |
| <b>Total comprehensive income for the period</b>                | <b>25</b>  | <b>54</b>  | <b>20</b>  | <b>44</b>  | <b>61</b>     |

## CONSOLIDATED BALANCE SHEET IN SUMMARY

| SEK million                                      | Period       |              | Full year    |
|--|--------------|--------------|--------------|
|  | Aug 31, 2013 | Aug 31, 2012 | Feb 28, 2013 |
| <b>ASSETS</b>                                    |              |              |              |
| <b>Non-current assets</b>                        |              |              |              |
| Goodwill   | 585          | 594          | 591          |
| Other intangible assets                          | 18           | 20           | 21           |
| Improvement expenditures on third-party property | 22           | 7            | 21           |
| Equipment, tools, fixtures and fittings          | 39           | 71           | 56           |
| Vehicles   | 3,968        | 3,939        | 4,168        |
| Non-current receivables                          | -            | 1            | 1            |
| Deferred tax assets                              | 116          | 9            | 126          |
| Pension assets                                   | 12           | 11           | 13           |
| <b>Total non-current assets</b>                  | <b>4,760</b> | <b>4,652</b> | <b>4,997</b> |
| <b>Current assets</b>                            |              |              |              |
| Inventories                                      | 46           | 46           | 44           |
| Trade receivables                                | 343          | 311          | 369          |
| Other current receivables                        | 63           | 62           | 81           |
| Deferred expenses and accrued income             | 208          | 271          | 240          |
| Restricted bank accounts                         | 173          | 166          | 175          |
| Cash and cash equivalents                        | 132          | 150          | 137          |
| <b>Total current assets</b>                      | <b>965</b>   | <b>1,006</b> | <b>1,046</b> |
| <b>TOTAL ASSETS</b>                              | <b>5,725</b> | <b>5,658</b> | <b>6,043</b> |
| <b>EQUITY AND LIABILITIES</b>                    |              |              |              |
| <b>Equity</b>                                    | <b>207</b>   | <b>-13</b>   | <b>187</b>   |
| <b>Non-current liabilities</b>                   |              |              |              |
| Borrowing, Note 2                                | 3,580        | 3,120        | 3,800        |
| Deferred tax liabilities                         | 55           | -            | 47           |
| Provisions for pensions and similar obligations  | 27           | 36           | 31           |
| Other provisions                                 | 50           | 54           | 45           |
| <b>Total non-current liabilities</b>             | <b>3,712</b> | <b>3,210</b> | <b>3,923</b> |
| <b>Current liabilities</b>                       |              |              |              |
| Accounts payable                                 | 382          | 398          | 465          |
| Borrowing, Note 2                                | 496          | 1,161        | 496          |
| Other current liabilities                        | 147          | 142          | 153          |
| Accrued expenses and deferred income             | 781          | 760          | 819          |
| <b>Total current liabilities</b>                 | <b>1,806</b> | <b>2,461</b> | <b>1,933</b> |
| <b>Total liabilities</b>                         | <b>5,518</b> | <b>5,671</b> | <b>5,856</b> |
| <b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES</b> | <b>5,725</b> | <b>5,658</b> | <b>6,043</b> |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| SEK million                      | Share capital | Other contributed capital | Translation differences | Losses carried forward | Total equity before translation differences of IAS 19 | Translation/ result of IAS 19 | Total equity after translation differences of IAS 19 |
|----------------------------------|---------------|---------------------------|-------------------------|------------------------|---|-------------------------------|--|
| Opening equity per March 1, 2012 | 224           | 2,271                     | 35                      | -2,573                 | -43   | -14                           | -57  |
| Comprehensive income             | -             | -                         | -1                      | 42                     | 41  | 3                             | 44   |
| Closing equity per Aug 31, 2012  | 224           | 2,271                     | 34                      | -2,531                 | -2  | -11                           | -13  |
| Opening equity per March 1, 2013 | 228           | 2,488                     | 30                      | -2,552                 | 194   | -7                            | 187  |
| Comprehensive income             | -             | -                         | -7                      | 27                     | 20  | -                             | 20   |
| Closing equity per Aug 31, 2013  | 228           | 2,488                     | 23                      | -2,525                 | 214   | -7                            | 207  |

There are no controlling interests.

## CONSOLIDATED CASH FLOW STATEMENT

| SEK million  | Quarter     |             | Period      |             | Full year     |
|--|-------------|-------------|-------------|-------------|---------------|
|  | Jun–Aug 13  | Jun–Aug 12  | Mar–Aug 13  | Mar–Aug 12  | Mar 12–Feb 13 |
| <b>Cash flow from operations</b>   |             |             |             |             |               |
| Earnings after financial items   | 41          | 55          | 44          | 43          | -9            |
| Adjustments for items not included in cash flow  | 188         | 145         | 377         | 323         | 726           |
| <b>Cash flow from operations before changes in working capital</b>                           | <b>229</b>  | <b>200</b>  | <b>421</b>  | <b>366</b>  | <b>717</b>    |
| <b>Cash flow from changes in working capital</b>   |             |             |             |             |               |
| Changes in inventories   | 1           | 8           | -2          | 6           | 7             |
| Change in operating receivables  | 70          | 157         | 67          | 101         | 20            |
| Change in operating liabilities  | -91         | -85         | -115        | -69         | 119           |
| <b>Total change in working capital</b>   | <b>-20</b>  | <b>80</b>   | <b>-50</b>  | <b>38</b>   | <b>146</b>    |
| Received interest income   | 1           | 2           | 1           | 2           | 5             |
| Tax paid   | -1          |             | -1          | -           | -2            |
| <b>Cash flow from operations</b>   | <b>209</b>  | <b>282</b>  | <b>371</b>  | <b>406</b>  | <b>866</b>    |
| <b>Cash flow from investing activities</b>   |             |             |             |             |               |
| Change in restricted bank accounts   | -10         | -22         | 2           | -15         | -26           |
| Investments in land, vehicles, equipment tools fixtures and fittings, excl. financial leases | -11         | -59         | -18         | -67         | -127          |
| Sales of buildings and land, vehicles, equipment tools fixtures and fittings                 | -           | 13          | 2           | 14          | 35            |
| <b>Cash flow from investing activities</b>   | <b>-21</b>  | <b>-68</b>  | <b>-14</b>  | <b>-68</b>  | <b>-118</b>   |
| <b>Cash flow from financing activities</b>   |             |             |             |             |               |
| Amortization of financial liability  | -127        | -105        | -247        | -202        | -437          |
| Amortization of loans  | -           | -           | -           | -           | -733          |
| New borrowing  | -           | -           | -           | -           | 551           |
| Borrowing expenses   | -           | -           | -           | -           | -34           |
| Non issue of shares (to bond holders)  | -           | -           | -           | -           | 181           |
| New share issue  | -           | -           | -           | -           | 2             |
| Interest paid  | -43         | -47         | -119        | -91         | -245          |
| <b>Cash flow from financing activities</b>   | <b>-170</b> | <b>-152</b> | <b>-366</b> | <b>-293</b> | <b>-715</b>   |
| <b>Cash flow for the period</b>  | <b>18</b>   | <b>62</b>   | <b>-9</b>   | <b>45</b>   | <b>33</b>     |
| <b>Cash and cash equivalents at beginning of period</b>                                      | <b>111</b>  | <b>90</b>   | <b>137</b>  | <b>107</b>  | <b>107</b>    |
| Cash flow for the period   | 18          | 62          | -9          | 45          | 33            |
| Translation difference   | 3           | -2          | 4           | -2          | -3            |
| <b>Cash and cash equivalents at end of period</b>  | <b>132</b>  | <b>150</b>  | <b>132</b>  | <b>150</b>  | <b>137</b>    |



# NOBINA INTERIM REPORT MARCH–AUGUST, 2013

## PARENT COMPANY'S INCOME STATEMENT IN BRIEF

| SEK million   | Quarter    |            | Period     |            | Full year     |
|---|------------|------------|------------|------------|---------------|
|   | Jun–Aug 13 | Jun–Aug 12 | Mar–Aug 13 | Mar–Aug 12 | Mar 12–Feb 13 |
| Other operating income  | 44         | 39         | 92         | 78         | 160           |
| <b>OPERATING EXPENSES</b>   |            |            |            |            |               |
| Other external expenses   | -15        | -18        | -37        | -38        | -75           |
| Personnel expenses  | -20        | -17        | -39        | -30        | -71           |
| Capital losses from the disposal of non-current assets                | -          | -          | -          | -          | -1            |
| Depreciation/amortization and impairment of PPE and intangible assets | -4         | -4         | -8         | -8         | -17           |
| <b>OPERATING PROFIT</b>   | <b>5</b>   | <b>0</b>   | <b>8</b>   | <b>2</b>   | <b>-4</b>     |
| Earnings from participations in Group companies                       |            | -          |            | -          | 8             |
| Financial income  | 13         | 14         | 34         | 28         | 68            |
| Financial expenses  | -1         | -4         | -12        | -5         | -8            |
| <b>NET FINANCIAL ITEMS</b>  | <b>12</b>  | <b>10</b>  | <b>22</b>  | <b>23</b>  | <b>68</b>     |
| <b>EARNINGS BEFORE TAX</b>  | <b>17</b>  | <b>10</b>  | <b>30</b>  | <b>25</b>  | <b>64</b>     |
| Tax   | -          | -          | -          | -          | -             |
| <b>NET EARNINGS FOR THE PERIOD</b>                                    | <b>17</b>  | <b>10</b>  | <b>30</b>  | <b>25</b>  | <b>64</b>     |

## REPORT OF THE PARENT COMPANY'S COMPREHENSIVE INCOME

| SEK million  | Quarter    |            | Period     |            | Full year     |
|--|------------|------------|------------|------------|---------------|
|  | Jun–Aug 13 | Jun–Aug 12 | Mar–Aug 13 | Mar–Aug 12 | Mar 12–Feb 13 |
| <b>Net earnings for the period</b>                       | <b>17</b>  | <b>10</b>  | <b>30</b>  | <b>25</b>  | <b>64</b>     |
| <b>Other comprehensive income</b>                        |            |            |            |            |               |
| Other comprehensive income for the period, net after tax | -          | -          | -          | -          | -             |
| <b>Total comprehensive income for the period</b>         | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>   | <b>-</b>      |
| <b>NET EARNINGS FOR THE PERIOD</b>                       | <b>17</b>  | <b>10</b>  | <b>30</b>  | <b>25</b>  | <b>64</b>     |

## PARENT COMPANY'S BALANCE SHEET IN BRIEF

| MSEK                                    | Quarter      |              | Full year    |
|---|--------------|--------------|--------------|
|   | Aug 31, 2013 | Aug 31, 2012 | 28 Feb, 2013 |
| <b>ASSETS</b>                           |              |              |              |
| <b>Non-current assets</b>               |              |              |              |
| Other intangible assets                 | 17           | 19           | 20           |
| Equipment, tools, fixtures and fittings | 6            | 33           | 26           |
| Participations in Group companies       | 1,974        | 1,772        | 1,953        |
| Receivables from Group companies        | 444          | 402          | 444          |
| <b>Total financial assets</b>           | <b>2,441</b> | <b>2,226</b> | <b>2,443</b> |
| <b>Current assets</b>                   |              |              |              |
| Receivables from Group companies        | 317          | 73           | 139          |
| Other current receivables               | 2            | 2            | 2            |
| Prepaid expenses and accrued revenue    | 8            | 14           | 11           |
| Restricted accounts                     | 59           | 55           | 56           |
| Cash and cash equivalents               | -            | 110          | 48           |
| <b>Total current assets</b>             | <b>386</b>   | <b>254</b>   | <b>256</b>   |
| <b>TOTAL ASSETS</b>                     | <b>2,827</b> | <b>2,480</b> | <b>2,699</b> |
| <b>EQUITY AND LIABILITIES</b>           |              |              |              |
| <b>Equity</b>                           | <b>2,584</b> | <b>2,332</b> | <b>2,554</b> |
| <b>Non-current liabilities</b>          |              |              |              |
| Pension provisions                      | 3            | 3            | 3            |
| <b>Total non-current liabilities</b>    | <b>3</b>     | <b>3</b>     | <b>3</b>     |
| <b>Current liabilities</b>              |              |              |              |
| Accounts payable                        | 9            | 14           | 14           |
| Liabilities to Group companies          | 215          | 115          | 109          |
| Other current liabilities               | 3            | 3            | 3            |
| Accrued expenses and deferred revenue   | 13           | 13           | 16           |
| <b>Total current liabilities</b>        | <b>240</b>   | <b>145</b>   | <b>142</b>   |
| <b>Total liabilities</b>                | <b>243</b>   | <b>148</b>   | <b>145</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>     | <b>2,827</b> | <b>2,480</b> | <b>2,699</b> |

## PARENT COMPANY'S CHANGE IN EQUITY

| SEK million                             | Share capital | Statutory reserve | Share premium reserve | Retained earnings | Earnings for the period | Total equity |
|---|---------------|-------------------|-----------------------|-------------------|-------------------------|--------------|
| <b>Opening equity per March 1, 2012</b> | <b>224</b>    | <b>-</b>          | <b>612</b>            | <b>1,471</b>      | <b>0</b>                | <b>2,307</b> |
| Reversal of previous year's earnings    | -             | -                 | -                     | -                 | -                       | -            |
| Earnings for the period                 | -             | -                 | -                     | -                 | 25                      | 25           |
| <b>Closing equity per Aug 31, 2012</b>  | <b>224</b>    | <b>-</b>          | <b>612</b>            | <b>1,471</b>      | <b>25</b>               | <b>2,332</b> |
| <b>Opening equity per March 1, 2013</b> | <b>228</b>    | <b>1</b>          | <b>612</b>            | <b>1,649</b>      | <b>64</b>               | <b>2,554</b> |
| Reversal of previous year's earnings    | -             | -                 | -                     | 64                | -64                     | -            |
| Earnings for the period                 | -             | -                 | -                     | -                 | 30                      | 30           |
| <b>Closing equity per Aug 31, 2013</b>  | <b>228</b>    | <b>1</b>          | <b>612</b>            | <b>1,713</b>      | <b>30</b>               | <b>2,584</b> |

# NOBINA INTERIM REPORT MARCH–AUGUST, 2013

## NOTE 1. SEGMENT REPORTING

| <i>SEK million, unless otherwise stated</i>   | <i>Quarter</i>    |                   | <i>Period</i>     |                   | <i>Full year</i>     |
|---|-------------------|-------------------|-------------------|-------------------|----------------------|
|   | <i>Jun–Aug 13</i> | <i>Jun–Aug 12</i> | <i>Mar–Aug 13</i> | <i>Mar–Aug 12</i> | <i>Mar 12–Feb 13</i> |
| <b>Revenues per business area</b>             |                   |                   |                   |                   |                      |
| Nobina Sweden                                 | 1,114             | 1,141             | 2,339             | 2,372             | 4,808                |
| Nobina Denmark                                | 84                | 81                | 167               | 167               | 341                  |
| Nobina Norway                                 | 240               | 203               | 496               | 440               | 946                  |
| Nobina Finland                                | 193               | 182               | 402               | 384               | 801                  |
| Elimination of sales to interregional traffic | -9                | -10               | -16               | -18               | -39                  |
| <b>Total regional traffic</b>                 | <b>1,622</b>      | <b>1,597</b>      | <b>3,388</b>      | <b>3,345</b>      | <b>6,857</b>         |
| Swebus  | 96                | 109               | 176               | 199               | 355                  |
| Elimination of sales to regional traffic      | -                 | -                 | -                 | -                 | -                    |
| <b>Total interregional traffic</b>            | <b>96</b>         | <b>109</b>        | <b>176</b>        | <b>199</b>        | <b>355</b>           |
| <b>Total revenues</b>                         | <b>1,718</b>      | <b>1,706</b>      | <b>3,564</b>      | <b>3,544</b>      | <b>7,212</b>         |

| <i>SEK million, unless otherwise stated</i> | <i>Quarter</i>    |                   | <i>Period</i>     |                   | <i>Full year</i>     |
|---|-------------------|-------------------|-------------------|-------------------|----------------------|
|   | <i>Jun–Aug 13</i> | <i>Jun–Aug 12</i> | <i>Mar–Aug 13</i> | <i>Mar–Aug 12</i> | <i>Mar 12–Feb 13</i> |
| <b>Operating profit per business area</b>   |                   |                   |                   |                   |                      |
| Nobina Sweden                               | 85                | 81                | 163               | 166               | 303                  |
| Nobina Denmark                              | -2                | -6                | -9                | -11               | -26                  |
| Nobina Norway                               | 10                | -4                | 8                 | -13               | -25                  |
| Nobina Finland                              | 8                 | 7                 | 18                | 9                 | 32                   |
| <b>Total regional traffic</b>               | <b>101</b>        | <b>78</b>         | <b>180</b>        | <b>151</b>        | <b>284</b>           |
| Swebus                                      | 10                | 13                | 3                 | 13                | 5                    |
| <b>Total interregional traffic</b>          | <b>10</b>         | <b>13</b>         | <b>3</b>          | <b>13</b>         | <b>5</b>             |
| <b>Central functions and other items</b>    | <b>-4</b>         | <b>-8</b>         | <b>-11</b>        | <b>-16</b>        | <b>-43</b>           |
| <b>Total operating profit</b>               | <b>107</b>        | <b>83</b>         | <b>172</b>        | <b>148</b>        | <b>246</b>           |

## NOTE 2. FINANCING

| SEK million, unless otherwise stated                   | Quarter    |            | Period       |              | Full year     |
|--|------------|------------|--------------|--------------|---------------|
|  | Jun–Aug 13 | Jun–Aug 12 | Mar–Aug 13   | Mar–Aug 12   | Mar 12–Feb 13 |
| <b>Operational leasing, Buses</b>                      |            |            |              |              |               |
| Nominal value of future payments - Buses               | -          | -          | 370          | 495          | 405           |
| Present value of future payments - Buses               | -          | -          | 344          | 453          | 377           |
| Number of operationally leased buses                   | -          | -          | 843          | 847          | 857           |
| Reported operational leasing expense                   | 36         | 55         | 78           | 112          | 202           |
| <b>Interest-bearing non-current liabilities</b>        |            |            |              |              |               |
| Senior Notes   | -          | -          | 551          | 711          | 551           |
| Financial leasing liability                            | -          | -          | 3,555        | 3,570        | 3,778         |
| Capitalized financing fees                             | -          | -          | -30          | -            | -33           |
| <b>Total</b>   | -          | -          | <b>4,076</b> | <b>4,281</b> | <b>4,296</b>  |
| Less current part                                      | -          | -          | -496         | -1,161       | -496          |
| <b>Total non-current liabilities</b>                   | -          | -          | <b>3,580</b> | <b>3,120</b> | <b>3,800</b>  |
| <b>Interest expenses and similar profit/loss items</b> |            |            |              |              |               |
| Interest expenses, financial leasing                   | -39        | -42        | -80          | -82          | -170          |
| Interest expenses, Senior Notes                        | -18        | -19        | -35          | -45          | -80           |
| Other financial expenses                               | -5         | -7         | -8           | -9           | -20           |
| Realized and non-realized exchange rate profits        | -6         | 39         | -8           | 30           | 6             |
| <b>Total</b>   | <b>-68</b> | <b>-29</b> | <b>-131</b>  | <b>-106</b>  | <b>-264</b>   |

| Earnings per share                                  | Quarter     |             | Period      |             | Full year     |
|---|-------------|-------------|-------------|-------------|---------------|
|   | Jun–Aug 13  | Jun–Aug 12  | Mar–Aug 13  | Mar–Aug 12  | Mar 12–Feb 13 |
| Average number of ordinary shares during the period | 632,611     | 24,928      | 632,611     | 24,928      | 238,033       |
| Reported earnings                                   | 31          | 54          | 27          | 42          | 60            |
| Adjusted earnings                                   | -           | -           | -           | -           | -             |
| <b>Earnings per share</b>                           | <b>0.05</b> | <b>2.16</b> | <b>0.04</b> | <b>1.67</b> | <b>0.25</b>   |

## KEY RATIO INFORMATION

Key ratios, most recent eight quarters

| Key ratios, the Group in SEK million, unless otherwise stated | 2011/12 |       | 2012/13 |       |       |       | 2013/14 |       |
|---|---------|-------|---------|-------|-------|-------|---------|-------|
|   | Q3      | Q4    | Q1      | Q2    | Q3    | Q4    | Q1      | Q2    |
| Sales   |         |       |         |       |       |       |         |       |
| Regional traffic  | 1,667   | 1,668 | 1,748   | 1,597 | 1,796 | 1,716 | 1,766   | 1,622 |
| Interregional traffic   | 83      | 79    | 90      | 109   | 79    | 77    | 80      | 96    |
| Operating profit  |         |       |         |       |       |       |         |       |
| Regional traffic  | 83      | -70   | 73      | 78    | 101   | 32    | 79      | 101   |
| Interregional traffic   | -6      | -11   | 0       | 13    | -4    | -4    | -7      | 10    |
| Earnings after financial items                                | -12     | -188  | -12     | 55    | 0     | -52   | 3       | 41    |
| Earnings after tax  | -12     | -188  | -12     | 54    | 72    | -54   | -4      | 31    |
| Cash flow   | 36      | -50   | -17     | 62    | 20    | -32   | -27     | 18    |
| Cash and cash equivalents                                     | 159     | 107   | 90      | 150   | 171   | 137   | 111     | 132   |
| Equity ratio, %   | 2.9     | Neg   | Neg     | Neg   | 4.0   | 3.1   | 3.1     | 3.6   |
| Equity  | 145     | -43   | -67     | -2    | 254   | 187   | 182     | 207   |
| Equity/ordinary share, SEK                                    | 5.83    | Neg   | Neg     | Neg   | 0.40  | 0.31  | 0.29    | 0.33  |
| Number of buses   | 3,339   | 3,437 | 3,505   | 3,535 | 3,608 | 3,455 | 3,406   | 3,406 |
| Estimated full-time positions                                 | 6,731   | 7,008 | 6,824   | 6,530 | 6,563 | 7,868 | 7,065   | 7,070 |

## DEFINITIONS

### **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 5, EEV**

Different generations of emission classes for diesel motors.

### **EXPRESS BUS**

Fixed line long distance road traffic which crosses at least one county boundary. Affected PTAs have a right of objection in conjunction with the granting of permits. An independent operator's revenues derive exclusively from the 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 5-8 years in exchange for a fixed price with agreed indexing terms.

***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.