

# NOBINA AB

## RESULTS 2010/2011

### FOURTH QUARTER (DECEMBER 1 2010 –FEBRUARY 28, 2011)

- Sales reached SEK 1,671 million (1,635), an increase of 2.2%, or SEK 36 million compared with the preceding year.
- Operating loss of SEK -7 million (-13), an improvement of SEK 6 million.
- Earnings for the period amounted to SEK -39 million (-24), entailing that the improvement in operating profit was offset by a weaker finance net, primarily due to a fall of SEK 34 million in unrealized exchange rate gains. Earnings per share of SEK -1.56 (-1.48).
- Extraordinary costs due to the harsh winter conditions affected earnings by SEK 55 million (37). Excluding these costs, operating profit was SEK 48 million (24) and earnings for the period were SEK 16 million (13).
- Cash flow from the operations was SEK 168 million (136). Cash flow after net investments amounted to SEK 110 million (127).
- The Group's investments, primarily for the purchase of buses, amounted to SEK 374 million (49), of which investments of SEK 264 million (43) were financed through leasing agreements and SEK 110 million (6) were financed in cash.

### FULL YEAR (MARCH 1, 2010 –FEBRUARY 28, 2011)

- Sales reached SEK 6,697 million (6 308), an increase of 6.2 percent, or SEK 389 million compared with the preceding year.
- Operating profit of SEK 232 million (192), an increase of SEK 40 million.
- Earnings for the period were SEK 59 million (121), entailing that the improvement in operating profit was offset by a weaker finance net, primarily due to a fall of SEK 102 million in unrealized exchange rate gains. Earnings per share were SEK 2.37 SEK (5.36).
- Extraordinary costs due to the harsh winter conditions affected earnings by SEK 62 million (37). Excluding these costs, operating profit was SEK 294 million (229) and earnings for the period were SEK 121 million (158).
- Cash flow from the operations was SEK 657 million (620). Cash flow after net investments amounted to SEK 519 million (505).
- The Group's investments, primarily for the purchase of buses, amounted to SEK 911 million (1,106), of which investments of SEK 731 million (971) were financed through leasing agreements and SEK 180 million (135) were financed in cash.
- The Board proposes that no dividend be paid.

### SIGNIFICANT EVENTS DURING THE QUARTER

- Stein Nilsen took up the position as new president of Nobina Norge in December.

### SIGNIFICANT EVENTS SINCE THE END OF THE QUARTER

- Nobina Danmark won traffic for 9 buses in Hilleröd in the Movia A8 tender.

## CEO's comments

To a very large extent, the fourth quarter has been characterized by the harsh winter, which affected employees, customers and costs throughout the Nordic operations. Nevertheless, we delivered an improvement in operating profit during the fourth quarter, which we are pleased about – but our sights had been set much higher. I can conclude that the business is continuing to develop in the right direction, with more efficient traffic scheduling, sound use of the bus fleet, and an organization with a developed management. For the full year, we have achieved sales of SEK 6.7 billion and an increase of SEK 40 million in operating profit, despite the significant winter costs.

Pending 2011, we look forward to a high tender level in which we will exploit the possibilities on the market to win contracts with potential for strong profitability. Work is currently underway in preparation for several traffic starts, among others an interesting new type of agreement in Norrtälje where we, as the traffic company, will assume considerably greater responsibility for the entire value chain to the customer – wholly in line with the new Public Transport Act which enters into force in 2012.

Ragnar Norbäck, President and CEO

## Key ratios

The Group (SEK millions, unless otherwise stated)	Quarter		Full Year	
	Dec 10-Feb 11	Dec 09-Feb 10	10/11	09/10
Sales	1,671	1,635	6,697	6,308
Operating profit	-7	-13	232	192
Earnings after finance net	-39	-24	59	121
Earnings after tax	-39	-24	59	121
Cash flow	-50	-126	-91	-67
Cash and cash equivalents	225	331	225	331
Equity ratio, %	-	-	3,4	2,8
Shareholders' equity	-	-	178	137
Shareholders' equity/ ordinary shares, SEK	-	-	7.14	5.49
Number of buses	-	-	3,618	3,553
Estimated full time positions	-	-	7,714	7,318

## Development of the business

Income statement (SEK millions)	Group			
	Dec 10-Feb 11	Dec 09-Feb 10	Full Year 10/11	Full Year 09/10
Net sales	1,671	1,635	6,697	6,308
Operating profit	-7	-13	232	192

Income statement (SEK millions)	Regional traffic			
	Dec 10-Feb 11	Dec 09-Feb 10	Full Year 10/11	Full Year 09/10
Net sales	1,578	1,538	6,267	5,897
Operating profit	2	-2	217	203

Income statement (SEK millions)	Interregional traffic			
	Dec 10-Feb 11	Dec 09-Feb 10	Full Year 10/11	Full Year 09/10
Net sales	93	97	430	411
Operating profit	-2	5	40	42

### FINANCIAL DEVELOPMENT

The Group's sales for the fourth quarter amounted to SEK 1,671 million (1,635), an increase of 2.2 percent, or SEK 36 million compared with the preceding year, and for the full year they amounted to SEK 6,697 million (6,308), an increase of 6.2 percent, or SEK 389 million compared with the preceding year.

During the fourth quarter, the sales trend compared with the corresponding quarter of last year showed an increase of SEK 40 million within the *regional traffic* business area and a fall of SEK 4 million within *interregional traffic*.

For the full year, the sales trend compared with the corresponding quarter of last year showed an increase of SEK 370 million within the *regional traffic* business area and an increase of SEK 19 million within *interregional traffic*.

The Group's operating loss for the fourth quarter was SEK -7 million (-13). The operating loss, before central functions and other costs, comprised SEK 2 million (-2) in respect of *regional traffic* and SEK -2 million (5) in respect of *interregional traffic*.

The Group's operating profit for the full year was SEK 232 million (192). The operating profit, before central functions and other costs, comprised SEK 217 million (203) in respect of *regional traffic* and SEK 40 million (42) in respect of *interregional traffic*.

Explanation items for revenue and earnings growth (SEK millions)	Revenues and earnings	
	Revenues	EBIT
<b>Period Mar 2009-Feb 2010</b>	<b>6,308</b>	<b>192</b>
Price and volume	163	49
Contract changes	256	-9
Indexation	126	-22
Business efficiency		45
Non-recurring expenses		-1
Fleet finance and use		33
Adjustment, Denmark		-13
Extraordinary winter costs		-25
Other	-157	-17
<b>Period Mar 2010-Feb 2011</b>	<b>6,697</b>	<b>232</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' shows 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.

## THE MARKET

The market during the year has been characterized by consolidation and advance of positions. Several Nordic bus operators have been up for sale in 2010 under more or less open forms. Few completions of acquisitions have been noted. Veolia transport has announced its intention to sell its business in Norway.

SL sold its remaining 30 percent stake in Busslink to the French transport company Keolis, whereupon Busslink became Keolis Sverige. Deutsche Bahn purchased the British company Arriva, and the French companies Veolia and Transdev are in the course of merging their public transport organizations. In addition, the Norwegian company Nettbuss sold its 20 percent stake in KR Traffic in Jämtland and, at the same time, acquired KR Traffic's 50 percent stake in Stadsbussarna, with traffic in Östersund. Orusttraffiken, which is owned by Nettbuss, changed its name to Nettbuss Sverige. The Norwegian traffic operator, Tide, intends to divide up its business into bus traffic and ferry traffic. Oslo municipality is considering selling Unibuss. One of Sweden's largest private bus operators, Vänersborgs Linjetraffic (VL), went into bankruptcy and will be taken over by its alliance partners. In addition, a number of smaller traffic companies in the bus industry formed an alliance called Together.

At present, several public sector companies in Finland, Denmark and Norway are being subjected to reviews as a consequence of their enduring profitability problems in contracts. The Danish government has forbidden the state-financed Danske statsbaner (DSB) from participating in tenders on the Swedish market, where the business has been bleeding for several years as a consequence of under-priced contracts.

Pending the new Public Transport Act, which enters into force on January 1, 2012, several county councils and regions are reviewing the way in which public transport should be organized. Nobina is actively participating in various industry initiatives and is carefully monitoring the effects of the ongoing changes on the market.

#### REGIONAL TRAFFIC BUSINESS AREA

During the 2010/2011 financial year, Nobina submitted tenders covering 1,664 (1,568) buses with a total contract value of SEK 25,576 million and won tenders for traffic covering 556 buses with a contract value of SEK 5,424 million.

During 2011/2012, traffic involving 2,735 buses – of which 516 are currently operated by Nobina – is expected to be up for tender in the Nordic region.

During the quarter, contracts in tenders were awarded for 389 buses, of which Nobina won traffic for 17 buses.

Tender situation per country, twelve months (In number of buses unless otherwise stated)	Tenders during the period			Traffic during the period		
	Submitted	Won	Lost	No. in traffic	Started	Ended
Sweden	1,079	415	664	2,248	335	297
Norway	420	83	337	358		80
Finland	165	58	107	376	52	32
Denmark				140	40	6
<b>Total regional traffic</b>	<b>1,664</b>	<b>556</b>	<b>1,108</b>	<b>3,122</b>	<b>427</b>	<b>415</b>

#### INTERREGIONAL TRAFFIC BUSINESS AREA

The newly established Stockholm City – Arlanda airport shuttle service is developing according to plan. The investment is long-term in nature and is being regularly evaluated.

Trend interregional traffic (Swebus)	Quarter		Full Year	
	Dec 10–Feb 11	Dec 09–Feb 10	10/11	09/10
Number of passengers	478,878	523,097	2,223, 256	2,216,912
Number of driven km	4,358,710	4,203,350	17,966,437	17,486,301
Load factor, %	46%	53%	54%	56%
Average revenues/km (SEK)	20.28	23.25	23.66	23.57
Average revenues/passenger (SEK)	188	187	193	186

## Sales

#### FOURTH-QUARTER (DEC 1, 2010 - FEB 28, 2011)

The Group's sales increased to SEK 1,671 million (1,635), an increase of 2.2 percent compared with the corresponding quarter of last year.

During the fourth quarter, sales within the *regional traffic* business area increased by SEK 40 million compared with the corresponding quarter of last year, to SEK 1,578 million (1,538). There was no net increase in sales from newly started and terminated contracts during the fourth quarter. The weakening of the euro against the Swedish krona resulted in a negative exchange rate effect of SEK 23 million. The remainder relates to price and volume changes in existing contract agreements.

During the fourth quarter, sales within the *interregional traffic* business area were SEK 93 million, compared with SEK 97 million in the corresponding quarter of last year.

#### FULL YEAR (MARCH 1, 2010 – FEB 28, 2011)

The Group's sales increased to SEK 6,697 million (6,308), an increase of 6.2 percent compared with the preceding full year.

Full year sales within the *regional traffic* business area increased by SEK 370 million compared with the preceding full year, to SEK 6,267 million (5,897). Of this amount, SEK 256 million relates to a net increase in sales from newly started and terminated contracts. The weakening of the euro against the Swedish krona resulted in a negative exchange rate effect of SEK 83 million. The remainder relates to price and volume changes in existing contract agreements.

Full year sales within *interregional traffic* increased by 4.6 percent compared with the preceding full year, to SEK 430 million (411). Among other things, this was due to an inflow of rail passengers during the winter period and an inflow of air travel passengers during the flight stoppage caused by the ash cloud from the volcanic eruption on Iceland in the spring of 2010.

Revenues (SEK millions)	Quarter		Full Year	
	Dec 10–Feb 11	Dec 09–Feb 10	10/11	09/10
<b>Revenues per segment</b>				
<i>Nobina Sweden</i>	1,152	1,092	4,459	4,227
<i>Nobina Denmark</i>	76	50	323	192
<i>Nobina Norway</i>	170	203	783	733
<i>Nobina Finland</i>	188	198	756	801
<i>Elimination of sales to Interregional traffic</i>	-8	-5	-54	-56
<b>Total regional traffic</b>	<b>1,578</b>	<b>1,538</b>	<b>6,267</b>	<b>5,897</b>
<i>Swebus</i>	93	98	430	412
<i>Elimination of sales to regional traffic</i>	-	-1	-	-1
<b>Total interregional traffic</b>	<b>93</b>	<b>97</b>	<b>430</b>	<b>411</b>
<b>Total revenues</b>	<b>1,671</b>	<b>1,635</b>	<b>6,697</b>	<b>6,308</b>

## Earnings

### FOURTH QUARTER (DEC 1, 2010 –FEB 28, 2011)

The Group's operating loss for the fourth quarter was SEK -7 million (-13). The operating loss, before central functions and other costs, comprised SEK 2 million (-2) in respect of *regional traffic* and SEK -2 million (5) in respect of *interregional traffic*.

The operating margin during the fourth quarter of the year was -0.8 percent, compared with 0.4 percent in the corresponding quarter of last year. Costs for fuel, tires and other consumables increased by SEK 44 million to SEK 419 million (375), primarily due to a proportionate increase in fuel prices. Personnel costs fell by SEK 19 million to SEK 847 million (866), as a result of decreased production and contracted wage changes.

Total extraordinary costs resulting from the harsh winter conditions amounted to SEK 55 million (37).

The operating profit for *regional traffic* increased by SEK 4 million. Of the change in operating profit, Nobina Sweden accounted for an increase of SEK 33 million resulting from more efficient operation, among other things due to low fuel consumption and a low level of injury and damage, despite the harsher winter conditions. Nobina Denmark accounted for a decrease of SEK 17 million due to provisions made for lost contracts and the winter conditions; Nobina Norway accounted for a decrease of SEK 10 million due to lower operational efficiency and the winter conditions; and Nobina Finland accounted for a decrease of SEK 2 million due to the winter conditions.

The operating profit for *interregional traffic* fell by SEK 7 million due to a lower number of passengers.

Central functions and other items contributed to strengthening the operating profit by SEK 9 million.

Earnings for the quarter were SEK 15 million lower at SEK -39 million (-24). In addition to the increased operating profit, earnings for the period were affected by a reduction of SEK 21 million in finance net due to a less positive exchange rate effect from revaluation of the Senior Notes denominated in euro.

### FULL YEAR (MAR 1, 2010 –FEB 28, 2011)

The Group's operating profit for the full year was SEK 232 million (192). The operating profit, before central functions and other costs, comprised SEK 217 million (203) in respect of *regional traffic* and SEK 40 million (42) in respect of *interregional traffic*.

The operating margin strengthened from 3.0 percent last year to 3.5 percent this year. Costs for fuel, tires and other consumables increased by SEK 136 million to SEK 1,507 million (1,371), primarily due to a proportionate increase in fuel costs. Personnel costs increased by SEK 133 million to SEK 3,408 million (3,275), as a result of increased production and contracted wage changes. Other external costs fell by SEK 44 million to SEK 1,171 million (1,127).

Total extraordinary costs due to the harsh winter conditions amounted to SEK 62million (37).

The operating profit for *regional traffic* increased by SEK 14 million. Nobina Sweden accounted for an increase of SEK 37 million resulting from more efficient operation, despite the harsher winter conditions. Nobina Denmark accounted for a decrease of SEK 23 million due to provisions made for lost contracts and the winter conditions; Nobina Norway and Finland demonstrated an unchanged operating profit compared with the corresponding period last year, despite the harsher winter conditions.

The operating profit for *interregional traffic* fell by SEK 2 million due to a lower number of passengers during the second half of the year.

Central functions and other items contributed to strengthening the operating profit by SEK 28 million due to cost reductions resulting from last year's reorganization.

Earnings for the full year declined by SEK 62 million to SEK 59 million (121). A strong operating profit contributed to earnings for the period, but was offset by a finance net which was SEK 102 million lower, primarily due to a reduction of SEK 102 million in unrealized exchange rate effects.

### Operating profit per segment

Operating profit (SEK millions)	Quarter		Full Year	
	Dec 10–Feb 11	Dec 09–Feb 10	10/11	09/10
<b>Operating profit</b>				
<i>Nobina Sweden</i>	46	13	242	205
<i>Nobina Denmark</i>	-28	-11	-53	-30
<i>Nobina Norway</i>	-16	-6	21	21
<i>Nobina Finland</i>	-	2	7	7
<b>Total regional traffic</b>	<b>2</b>	<b>-2</b>	<b>217</b>	<b>203</b>
<i>Swebus</i>	-2	5	40	42
<b>Total inter-regional traffic</b>	<b>-2</b>	<b>5</b>	<b>40</b>	<b>42</b>
<i>Central functions and other items</i>	-7	-16	-25	-53
<b>Total operating profit</b>	<b>-7</b>	<b>-13</b>	<b>232</b>	<b>192</b>

### Financial position

Available cash and cash equivalents at the end of the financial year amounted to SEK 225 million (331). In addition, the Group had funds in escrow of SEK 110 million (141), primarily as security for submitted tenders and executed traffic contracts.

During the financial year, SEK 115 million was repaid on the Group's Senior Notes, which reduces the Group's currency exposure and results in a reduced future interest expense for the Group of SEK 10.5 million per year.

No changes have occurred concerning the Group's share capital and other equity. No dividends have taken place during the period.

### Investments

The Group's cash investments during the fourth quarter relate to the purchase of other fixed assets and the purchase of buses including accessories in the amount of SEK 110 million (6). Through its subsidiary Nobina Fleet AB, the Group signed financial leasing agreements during the fourth quarter amounting to SEK 264 million (43) in acquisition value. During the full year, the Group signed financial leasing agreements amounting to SEK 731 million (971) in acquisition value, corresponding to 273 (339) buses. The Group's financial leasing agreements have been classified as fixed assets in the balance sheet and the leasing obligations are reported as a liability in the balance sheet. Depreciation and interest expenses are reported in the income statement.

During the fourth quarter, the Group sold buses for SEK 9 million (-4). The sale has entailed a capital loss (capital gain) of SEK -3 million (1). During the full year, the Group sold 330 (332) buses for SEK 16 million (26). The sale has involved a capital loss of SEK -7 million (-3).

## Cash flow

Cash flow from the operations during the fourth quarter amounted to SEK 168 million (136) before, and SEK 110(127) after, net investments.

Cash flow from the operations for the full year amounted to SEK 657 million (620). The total cash flow for the period was SEK -91 million (-67). The deterioration is due primarily to increased payment in cash when purchasing used buses.

## Taxes

The Group has large historical accumulated loss carry-forwards, which have not been capitalized as a deferred tax receivable; otherwise see the annual report for more details.

## Personnel

During the period there were on average 7,714 (7,318) employees. In all countries in which the Nobina Group operates, collective agreements are applied in accordance with agreements with the trade unions representing employees within the industry in which the relevant company operates. There are well-established practices and traditions as to the manner in which work times, compensation conditions, information and cooperation are negotiated and applied between employee representatives and the Company.

## Significant events during the quarter

- Stein Nilsen took up the position as new president of Nobina Norge. He hails most recently from NSB, the equivalent to SJ in Norway, where he was group director with responsibility for NSB Persontog. Before that, he was employed for 20 years within the SAS group.

## Significant events since the end of the quarter

- Nobina Denmark won traffic for 9 buses in Hilleröd in the Movia A8 tender. Nobina Denmark has been operating traffic in Hilleröd for some time.

## Parent company

The parent company has 44 (8) employees who are engaged in overall Group management, financial administration, IT, HR and wage functions. The increase is due to the fact that certain functions, e.g. IT, have been transferred to the parent company. The parent company's earnings before tax were SEK 57 million (-8), while cash and cash equivalents at the end of the period amounted to SEK 39 million (99), of which SEK 30 million were funds in escrow (33).

## 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 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 17.



## 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. Interest rate risks are hedged from time to time through the use of interest rate derivatives. The Group had no interest rate hedging contracts during the year.

The Group bears a refinancing risk since existing Senior Notes of EUR 97 million mature on August 1, 2012. On February 1, 2010 (preceding financial year) an opportunity was exercised for voluntary repayment of 10 percent of the nominal amount, equal to EUR 12 million, and on August 1, 2010 a mandatory repayment of the same amount took place.

The Nobina Group is exposed to exchange rate fluctuations on the Senior Notes. With the current outstanding loan amount, a ten percent depreciation of the Swedish krona results in a risk of unrealized losses of approximately SEK 85 million and leads to an increased annual interest cost of approximately SEK 8 million. The Group's finance policy states that currency risks may be hedged through currency derivatives. During the year, the Group had no currency hedging contracts with respect to currency exposure on the Senior Notes or repayments. Interest payments of EUR 4.5 million on February 1, 2011 have been hedged through euros being purchased and deposited on the Group's currency account.

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, the Group obtains compensation for changes in the diesel price accounting for approximately 93 percent of consumption, thanks to revenue indices in traffic contracts. 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. During the financial year, the Nobina Group has hedged the non-indexed part of the diesel cost in the form of commodity options and, as per February 28, 2011, holds outstanding diesel derivative contracts for 2,500 metric tonnes per month up to and including April 2011, and thereafter 1,400 metric tonnes per month up to and including August 2011. The value of the outstanding diesel derivatives at the end of the fourth quarter was SEK 3.9 million.

For more information regarding risks and uncertainty factors, see the corresponding section in Nobina's annual report 2009/2010.

## Accounting principles

Nobina applies International Financial Reporting Standards (IFRS) as adopted by the EU. Except where stated below, the same accounting principles and calculation methods have been used in this report as set forth in the 2009/10 annual report under "Company information and accounting principles".

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).

New standards for the financial year have had no impact on the consolidated income statement and balance sheet. See other information in the 2009/10 annual report.

## Other

The Swedish version of this report is available on [www.nobina.com](http://www.nobina.com).



## Telephone conference

Nobina will present the quarterly and full year results and reply to questions during a telephone conference on Wednesday, April 27, 2011 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

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

## Assurance

The CEO hereby provides an assurance that the interim report 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, April 26, 2011

Ragnar Norbäck  
President and CEO

## Future reports

Annual General Meeting

Interim report for Q1 2011/2012 (March – May)

Half-yearly report 2011/2012 (March – August)

May 23, 2011

June 29, 2011

Sept. 28, 2011

## Contacts

For further information please contact:

Ragnar Norbäck, President and CEO

Per Skärgård, CFO

Ingrid Håkanson, IR manager

+46 8-410 65 000

+46 8-410 65 056

+46 8-410 65 051

### **Nobina AB**

Armévägen 38,171 71 Solna, Sweden

[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 bus passenger transport company in the Nordic region. The operations include contractual regional traffic in Sweden, Denmark, Norway and Finland as well as independently operated interregional traffic through Swebus. The Nobina Group has annual sales in excess of SEK 6 billion, operates 3,500 buses and, with more than 260 million passengers per year, is one of the largest passenger transport companies in northern Europe. More information is available on [www.nobina.com](http://www.nobina.com).

## Consolidated income statement in brief

SEK millions, unless otherwise stated	Quarter		Full Year	
	Dec 10–Feb 11	Dec 09–Feb 10	10/11	09/10
<b>Net sales</b>	<b>1,671</b>	<b>1,635</b>	<b>6,697</b>	<b>6,308</b>
<b>OPERATING EXPENSES</b>				
Fuel, tires and other consumables	-419	-375	-1,507	-1,371
Other external expenses	-312	-319	-1,171	-1,127
Personnel expenses	-847	-866	-3,408	-3,275
Capital gain/loss on sale of fixed assets	-3	1	-7	-3
Depreciation/write-down of tangible fixed assets	-97	-89	-372	-340
<b>OPERATING PROFIT</b>	<b>-7</b>	<b>-13</b>	<b>232</b>	<b>192</b>
Financial revenues	3	2	11	10
Financial expenses	-35	-13	-184	-81
<b>FINANCE NET</b>	<b>-32</b>	<b>-11</b>	<b>-173</b>	<b>-71</b>
<b>EARNINGS BEFORE TAX</b>	<b>-39</b>	<b>-24</b>	<b>59</b>	<b>121</b>
Tax	-	-	-	-
<b>NET EARNINGS FOR THE PERIOD</b>	<b>-39</b>	<b>-24</b>	<b>59</b>	<b>121</b>
Earnings for the period attributable to the parent company's	-39	-24	59	121
Earnings per share before dilution (SEK )	-1.56	-1.48	2.37	5.36
Earnings per share after dilution (SEK)	-1.56	-1.48	2.37	5.36
Average number of shares before dilution (thousands)	24,928	16,235	24,928	16,235
Average number of shares after dilution (thousands)	24,928	16,235	24,298	16,235

## Consolidated statement of comprehensive income

SEK millions, unless otherwise stated	Quarter		Full Year	
	Dec 10–Feb 11	Dec 09–Feb 10	10/11	09/10
<b>Net earnings for the period</b>	<b>-39</b>	<b>-24</b>	<b>59</b>	<b>121</b>
<b>Other comprehensive income</b>				
Exchange rate differences on foreign operations	-	-6	-18	-29
<b>Other comprehensive income for the period, net after tax</b>	<b>-</b>	<b>-6</b>	<b>-18</b>	<b>-29</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-30</b>	<b>41</b>	<b>92</b>
<b>Comprehensive income for the period attributable to the parent company's owners</b>	<b>-39</b>	<b>-30</b>	<b>41</b>	<b>92</b>

## Consolidated balance sheet in summary

SEK millions, unless otherwise stated	Full Year	
	Feb 28 2011	Feb 28 2010
<b>ASSETS</b>		
<b>Fixed assets</b>		
Goodwill	673	687
Other intangible fixed assets	9	5
Improvement expenditures on third-party property	5	7
Equipment, tools, fixtures and fittings	42	42
Vehicles	3,189	2,748
Long-term receivables	1	18
Deferred tax receivables	7	8
<b>Total fixed assets</b>	<b>3,926</b>	<b>3,515</b>
<b>Current assets</b>		
Inventory	48	40
Accounts receivable	441	491
Other current receivables	62	71
Prepaid expenses and accrued revenue	361	269
Funds in escrow	110	141
Cash and cash equivalents	225	331
<b>Total fixed assets</b>	<b>1,247</b>	<b>1,343</b>
<b>TOTAL ASSETS</b>	<b>5,173</b>	<b>4,858</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>178</b>	<b>137</b>
<b>Non-current liabilities</b>		
Senior Notes, note 2	728	859
Other liabilities, note 2	2,295	2,096
Provisions for pensions and similar obligations	16	44
Other provisions	81	88
<b>Total non-current liabilities</b>	<b>3,120</b>	<b>3,087</b>
<b>Current liabilities</b>		
Senior Notes, note 2	85	118
Liabilities to credit institutions, note 2	438	258
Accounts payable	389	389
Other current liabilities	134	113
Accrued expenses and deferred revenue	829	756
<b>Total current liabilities</b>	<b>1,875</b>	<b>1,634</b>
<b>Total liabilities</b>	<b>4,995</b>	<b>4,721</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,173</b>	<b>4,858</b>

## Consolidated statement of changes in equity

SEK millions, unless otherwise stated	Share capital	Other contributed capital	Translation differences	Losses carried forward	Total equity
<b>Opening equity per March 1, 2009</b>	<b>25</b>	<b>2,179</b>	<b>73</b>	<b>-2,394</b>	<b>-117</b>
Comprehensive income for the period	-	-	-29	121	92
Exercise of warrants	-	-9	-	-	-9
New issue	204	614	-	-	818
New issue expenses	-	-8	-	-	-8
Redemption of preference shares	-5	-505	-	-	-510
Dividend, preference shares	-	-	-	-129	-129
<b>Closing equity per February 28, 2010</b>	<b>224</b>	<b>2,271</b>	<b>44</b>	<b>-2,402</b>	<b>137</b>
Comprehensive income for the period	-	-	-18	59	41
<b>Closing equity per February 28, 2011</b>	<b>224</b>	<b>2,271</b>	<b>26</b>	<b>-2,343</b>	<b>178</b>

*There are no non-controlling interests.*

## Consolidated cash flow statement

SEK millions, unless otherwise stated	Quarter		Full Year	
	Dec 10–Feb 11	Dec 09–Feb 10	10/11	09/10
<b>Cash flow from operations</b>				
Earnings after financial items	-39	-24	59	121
Adjustments for items not included in cash flow	126	80	531	368
<b>Cash flow from operations before changes in equity</b>	<b>87</b>	<b>56</b>	<b>590</b>	<b>489</b>
<b>Cash flow from changes in working capital</b>				
Changes in inventories	-	5	-10	-1
Change in operating receivables	-35	-42	-17	36
Change in operating liabilities	114	113	84	85
<b>Total change in working capital</b>	<b>79</b>	<b>76</b>	<b>57</b>	<b>120</b>
Received interest income	2	4	10	11
Tax paid	-	-	-	-
<b>Cash flow from operations</b>	<b>168</b>	<b>136</b>	<b>657</b>	<b>620</b>
<b>Cash flow from investing activities</b>				
Change in funds in escrow	43	1	26	-6
Investments in land, vehicles, equipment tools fixtures and fittings, excl. financial leases	-110	-6	-180	-135
Sales of buildings and land, vehicles, equipment tools fixtures and fittings	9	-4	16	26
<b>Cash flow from investing activities</b>	<b>-58</b>	<b>-9</b>	<b>-138</b>	<b>-115</b>
<b>Cash flow from financing activities</b>				
Redemption of preference shares	-	-	-	-510
Exercise of warrants	-	-	-	-9
New issue	-	-	-	818
New issue expenses	-	-	-	-8
Repayment of principal, financial leasing liabilities	-73	-64	-280	-217
Repayment of principal, loans	-	69	-115	-124
Redemption of loans	-	-1,488	-	-1,488
Raising of loans	-	1,323	-	1,323
Paid interest	-87	-93	-215	-228
Dividend	-	-	-	-129
<b>Cash flow from financing activities</b>	<b>-160</b>	<b>-253</b>	<b>-610</b>	<b>-572</b>
<b>Cash flow for the period</b>	<b>-50</b>	<b>-126</b>	<b>-91</b>	<b>-67</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>280</b>	<b>464</b>	<b>331</b>	<b>417</b>
Cash flow for the period	-50	-126	-91	-67
Translation difference	-5	-7	-15	-19
<b>Cash and cash equivalents at end of period</b>	<b>225</b>	<b>331</b>	<b>225</b>	<b>331</b>

## Parent company's income statement in brief

SEK millions, unless otherwise stated	Quarter		Full Year	
	Dec 10–Feb 11	Dec 09–Feb 10	10/11	09/10
Net sales	37	9	133	35
<b>OPERATING EXPENSES</b>				
Other external expenses	-18	-6	-64	-15
Personnel expenses	-12	-7	-49	-29
Depreciation/impairment of intangible and tangible non-current assets	-5	-	-5	-
<b>OPERATING PROFIT</b>	<b>2</b>	<b>-4</b>	<b>15</b>	<b>-9</b>
Financial income	16	1	44	8
Financial expenses	-1	-3	-2	-7
<b>EARNINGS AFTER FINANCIAL ITEMS</b>	<b>17</b>	<b>-6</b>	<b>57</b>	<b>-8</b>
Tax	8	14	8	14
<b>NET EARNINGS FOR THE PERIOD</b>	<b>25</b>	<b>8</b>	<b>65</b>	<b>6</b>

## Parent company's balance sheet in brief

SEK millions, unless otherwise stated	Full Year	
	Feb 28, 2011	Feb 28, 2010
<b>ASSETS</b>		
<b>Fixed assets</b>		
Participations in Group companies	1,772	1,772
Other intangible assets	8	-
Equipment, tools, fixtures and fittings	10	-
Receivables from Group companies	345	290
<b>Total financial assets</b>	<b>2,135</b>	<b>2,062</b>
<b>Current assets</b>		
Receivables from Group companies	136	71
Other current receivables	10	3
Prepaid expenses and accrued revenue	48	17
Funds in escrow	30	33
Cash and cash equivalents	9	66
<b>Total current assets</b>	<b>233</b>	<b>190</b>
<b>TOTAL ASSETS</b>	<b>2,368</b>	<b>2,252</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>2,307</b>	<b>2,218</b>
<b>Non-current liabilities</b>		
Pension provisions	2	1
Other provisions	-	1
<b>Total non-current liabilities</b>	<b>2</b>	<b>2</b>
<b>Current liabilities</b>		
Accounts payable	9	24
Liabilities to Group companies	38	1
Other current liabilities	1	-
Accrued expenses and deferred revenue	11	7
<b>Total current liabilities</b>	<b>59</b>	<b>32</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,368</b>	<b>2,252</b>

## Parent company's change in equity

SEK millions, unless otherwise stated	Share capital	Statutory reserve	Share premium reserve	Retained earnings	Earnings for the period	Total equity
<b>Opening equity per March 1, 2009</b>	25	1,322	507	132	24	2,010
Comprehensive income for the period	-	-	-	-	6	6
Redemption of preference shares	-5	-	-505	-	-	-510
Exercise of warrants	-	-	-9	-	-	-9
New issue	204	-	614	-	-	818
Issue expenses	-	-	-8	-	-	-8
Reclassification of issue expenses	-	-	13	-13	-	-
Dividend, preference shares	-	-	-	-129	-	-129
Reduction in share premium reserve	-	-1,322	-	1,322	-	-
Received group contributions	-	-	-	54	-	54
Tax effect on received group contributions	-	-	-	-14	-	-14
Reversal of previous year's earnings	-	-	-	24	-24	-
<b>Closing equity per February 28, 2010</b>	<b>224</b>	<b>-</b>	<b>612</b>	<b>1,376</b>	<b>6</b>	<b>2,218</b>
Comprehensive income for the period	-	-	-	-	65	65
Received group contributions	-	-	-	32	-	32
Tax effect on received group contributions	-	-	-	-8	-	-8
Reversal of previous year's earnings	-	-	-	6	-6	-
<b>Closing equity per February 28, 2011</b>	<b>224</b>	<b>-</b>	<b>612</b>	<b>1,406</b>	<b>65</b>	<b>2,307</b>

## Note 1. Segment reporting

SEK millions, unless otherwise stated	Quarter		Full Year	
	Dec 10–Feb 11	Dec 09–Feb 10	10/11	09/10
<b>Revenues per business area</b>				
<i>Nobina Sweden</i>	1,152	1,092	4,459	4,227
<i>Nobina Denmark</i>	76	50	323	192
<i>Nobina Norway</i>	170	203	783	733
<i>Nobina Finland</i>	188	198	756	801
<i>Elimination of sales to Interregional traffic</i>	-8	-5	-54	-56
<b>Total regional traffic</b>	<b>1,578</b>	<b>1,538</b>	<b>6,267</b>	<b>5,897</b>
<i>Swebus</i>	93	98	430	412
<i>Elimination of sales to Regional traffic</i>	-	-1	-	-1
<b>Total interregional traffic</b>	<b>93</b>	<b>97</b>	<b>430</b>	<b>411</b>
<b>Total revenues</b>	<b>1,671</b>	<b>1,635</b>	<b>6,697</b>	<b>6,308</b>

SEK millions, unless otherwise stated	Quarter		Full Year	
	Dec 10–Feb 11	Dec 09–Feb 10	10/11	09/10
<b>Operating profit per business area</b>				
<i>Nobina Sweden</i>	46	13	242	205
<i>Nobina Denmark</i>	-28	-11	-53	-30
<i>Nobina Norway</i>	-16	-6	21	21
<i>Nobina Finland</i>	-	2	7	7
<b>Total regional traffic</b>	<b>2</b>	<b>-2</b>	<b>217</b>	<b>203</b>
<i>Swebus</i>	-2	5	40	42
<b>Total interregional traffic</b>	<b>-2</b>	<b>5</b>	<b>40</b>	<b>42</b>
<i>Head office items and other items</i>	-7	-16	-25	-53
<b>Total operating profit</b>	<b>-7</b>	<b>-13</b>	<b>232</b>	<b>192</b>



## Note 2. Financing

SEK millions, unless otherwise stated	Quarter		Full Year	
	Dec 09–Feb 10	Dec 09–Feb 10	10/11	09/10
<b>Operational leasing, Buses</b>				
Nominal value of future payments - Buses	-	-	1,116	1,384
Present value of future payments - Buses	-	-	982	1,219
Number of operationally leased buses	-	-	1,494	1,529
Reported operational leasing expense	64	62	266	266
<b>Interest-bearing non-current liabilities</b>				
Senior Notes	-	-	826	1 002
Financial leasing liability	-	-	2,733	2,354
Capitalized financing fees	-	-	-13	-25
<b>Total</b>	-	-	<b>3,546</b>	<b>3,331</b>
Less current part	-	-	-523	-376
<b>Total non-current liabilities</b>	-	-	<b>3,023</b>	<b>2,955</b>
<b>Interest expenses and similar profit/loss items</b>				
Interest expenses, financial leasing	-25	-25	-95	-72
Interest expenses, Senior Notes	-26	-68	-124	-164
Other financial expenses	-13	17	-31	-13
Realized and non-realized exchange rate profits	29	63	66	168
<b>Total</b>	<b>-35</b>	<b>-13</b>	<b>-184</b>	<b>-81</b>

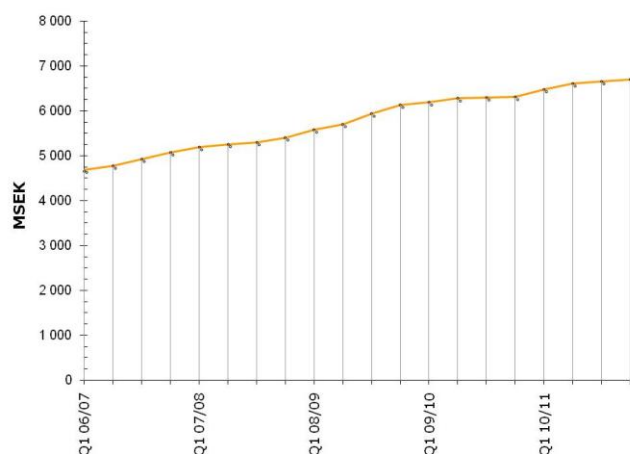
Earnings per share	Full Year	
	10/11	09/10
Average number of ordinary shares during the period	24,928	16,235
Reported earnings	59	121
Dividend on preference shares	-	-34
Adjusted earnings	59	87
<b>Earnings per share</b>	<b>2.37</b>	<b>5.36</b>

## Key ratio information

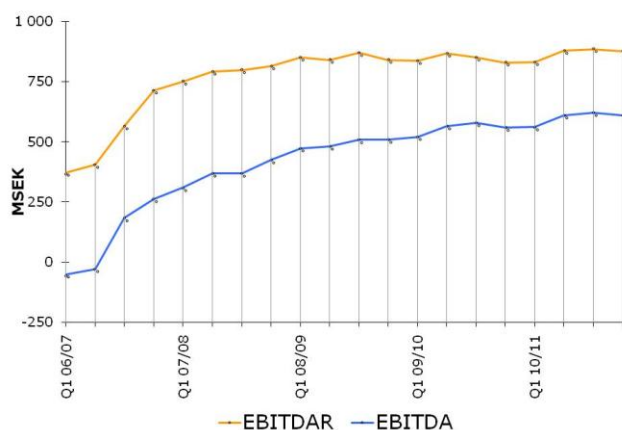
### Key ratios, most recent eight quarters

Key ratios, the Group in SEK millions, unless otherwise stated	2009/2010				2010/2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales								
<i>regional traffic</i>	1,477	1,345	1,558	1,554	1,632	1,469	1,634	1,578
<i>interregional traffic</i>	92	129	93	98	113	128	96	93
Operating profit								
<i>regional traffic</i>	61	36	108	-2	46	65	104	2
<i>interregional traffic</i>	3	26	8	5	11	27	4	-2
Earnings after financial items	76	59	10	-24	1	32	52	-39
Earnings after tax	76	59	10	-24	1	32	52	-39
Cash flow	95	-109	73	-126	45	-211	125	-50
Cash and cash equivalents	502	386	464	331	375	160	280	225
Equity ratio, %	-1,7	2,9	3,3	2,8	2,7	3,5	4,3	3,4
Equity	-72	143	167	137	139	174	217	178
Equity/ordinary share, SEK	-3.59	1.74	2.11	15.69	5.57	6.98	8.7	7.14
Number of buses	3,333	3,543	3,582	3,553	3,584	3,627	3,659	3,618
Estimated full-time positions	6,384	6,201	6,828	7,318	7,499	6,506	6,485	7,714

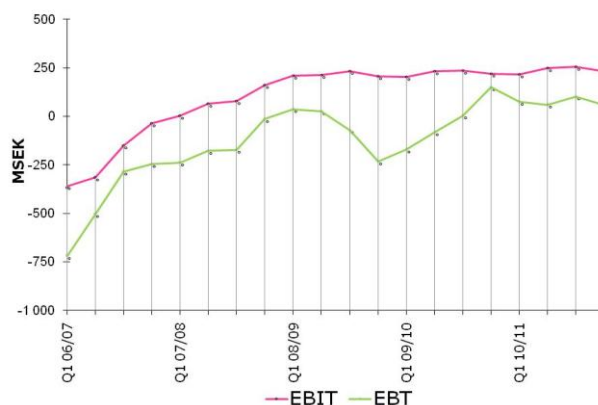
### Revenues, rolling twelve months, five years



### Operating profit, rolling 12 months, five years<sup>1</sup>

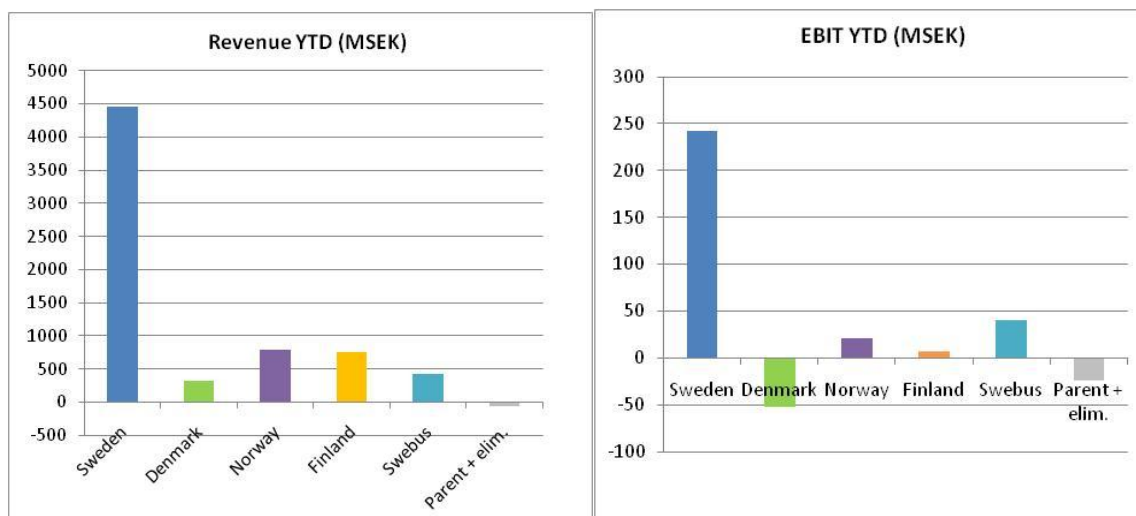


### Earnings, rolling 12 months, five years<sup>1</sup>

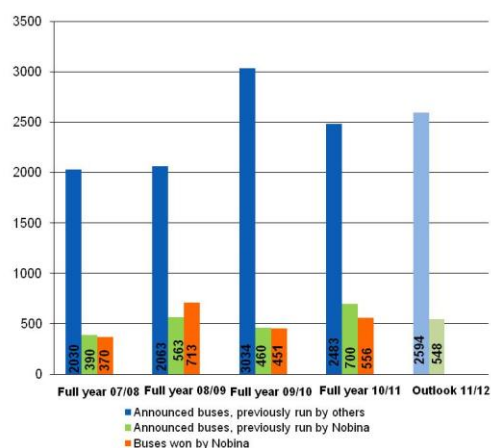


<sup>1</sup> Excluding non-recurring effects

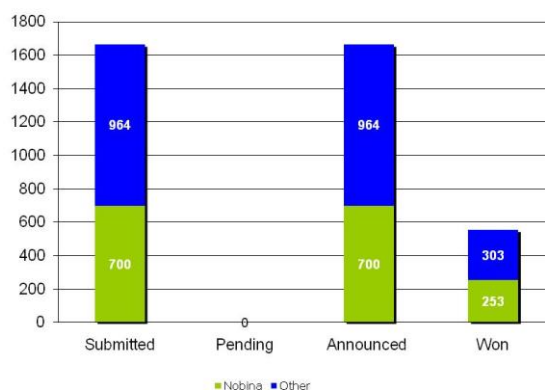
## Breakdown of revenues and earnings by segment, Full Year 2010/2011



## Historical tender results



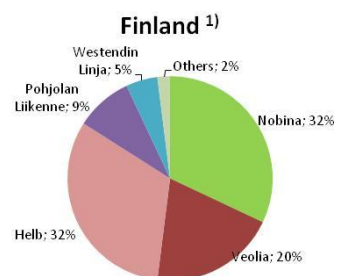
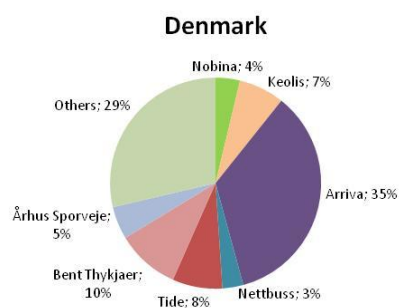
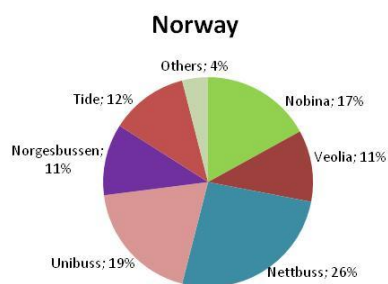
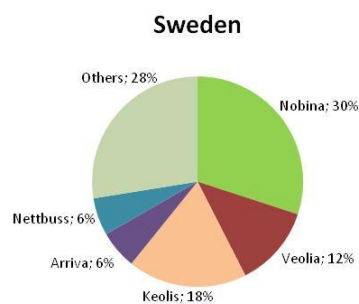
## Tender results, number of buses, Full Year 2010/2011



## Planned traffic starting coming 12 months

Tender outcome per country, coming 12 months	Planned traffic starts, March 11 – February 12					
	PTA	Contract type	Number of years	Traffic start	Number of buses	Value (SEK millions)
Sweden	Skånetrafikken	City traffic	8 (2)	March, 2011	89	1,752
	Östgötatrafikken	Regional traffic	5	June, 2011	34	346
	Upplands lokaltrafik	Regional traffic	1 (1)	June, 2011	130	450
	Västtrafik	Regional traffic	8 (2)	June, 2011	6	140
	Västtrafik	Express	8 (2)	June, 2011	23	490
	Skånetrafikken	Regional traffic	4 (2)	June, 2011	6	72
	Skånetrafikken	Regional traffic	8 (2)	June, 2011	5	96
	SL, Stockholm	Regional traffic	8 (2)	June, 2011	83	1,540
	Hägersås municipality	School traffic	3 (1)	August, 2011	2	7
	Skånetrafikken	Regional traffic	8 (2)	October, 2011	4	80
Finland	Skånetrafikken	Regional traffic	1	October, 2011	33	59
	HSL	City traffic	1	August, 2011	6	10
Norway	Vestfold	Regional traffic	3	January, 2012	83	313
<b>Total regional traffic</b>					<b>504</b>	<b>5,355</b>

## Market shares, tendered regional traffic



<sup>1)</sup> Only Helsinki area

## 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. 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.