

Directors' report

***The business:***

The Narvesen group is one of Scandinavia's leading enterprises in the convenience trade, perfumery/cosmetics, wholesaling and catering sectors. Development of its business is based on responding to customer requirements. The objective is also to operate as an unbiased and independent distributor of reading matter.

***Commentary on the annual accounts***

**Highlights**

The group achieved solid growth in profitability during 2000. All business areas could report good progress for revenues and results. Cash flow from operations improved significantly, and the group is in a strong financial position.

The year was characterised by a wide-ranging process of strategy formulation. This led to important strategic clarifications aimed at securing the group's future development opportunities. Work on the strategy resulted in a merger agreement on 7 November 2000 with Rema 1000 International AS. This merger was approved by the general meetings of the two companies on 18 January 2001.

During 2000, the group strengthened its commitment in Scandinavia and Latvia. On the wholesale side, Svenska Interpress AB was acquired with effect from 1 January 2000. Swedcirc AB and Press Stop Gruppen AB became wholly owned with effect from 1 April and 1 September respectively. The two companies were previously owned 50 per cent by Svenska Interpress AB, and their full acquisition reflects the strategy of a stronger commitment to reading matter in Sweden. The group acquired Sweden's Nectar chain with effect from 15 August, gaining access to good sites which will be rebranded to Esthetique. In Latvia, the Narvesen Baltija SIA subsidiary acquired 89.5 per cent of the shares in A/S Preses Apvieniba with effect from 1 January 2001. This company has 450 kiosks nationwide, and its acquisition gives the group a leading position in the Latvian convenience trade. On 14 February 2001, Narvesen signed a letter of intent covering the sale of 50 per cent of Togservise to Rail Gourmet Holding AG. This transaction is intended to take place with effect from 1 January 2001. On 19 February, 2001 the group signed a letter of intent on the acquisition of Dansk Centralagentur A/S (DCA), the Danish distributor of reading matter. A final agreement is due to be concluded before 1 April 2001.

All the group's business areas made positive progress. The restructuring measures implemented in Catering have yielded positive results, even though progress for this business area was weaker than expected.

Vita is on schedule with integrating the Friman chain, which was acquired with effect from 1 October 1999. The underlying business is good. However, results for the first half-year were burdened with costs relating to the integration process.

Svenska Interpress AB could report good results. Work on a stronger commitment to reading matter in partnership with Pressbyrån will continue.

The annual accounts have been prepared under the assumption that the group is a going concern.

**Income statement**

Sale of goods by the group, including franchise outlets, increased by 9.7 per cent to NOK 8 249 million (1999: NOK 7 517 million).

The group's operating revenues rose by 9.5 per cent to NOK 7 143 million (1999: NOK 6 524 million).

Cash flow from operations (operating profit before depreciation) rose by 19.1 per cent to NOK 573 million (1999: NOK 481 million).

The Narvesen group recorded an operating profit of NOK 274 million (1999: NOK 213 million), an increase of 28.6 per cent.

A pilot scheme for a bonus programme related to the share price and results was adopted in 1999. As a consequence of the merger, the board resolved on 7 November to discontinue this scheme. Costs of NOK 18.9 million were charged against income during the fourth quarter in that connection.

An accounting gain of NOK 6 million was recorded in the fourth quarter from the insurance settlement following a fire in May 1999 at the main Togservice base in Tomtekaia, Oslo.

Changes to the SPP pension scheme in Sweden mean that Retailing Sweden recorded NOK 15.1 million as income from the repayment of excess financing.

The merger between Narvesen ASA and Rema 1000 International AS will be implemented with accounting effect from 1 January 2001. Costs relating to the merger at 31 December have been accrued in the balance sheet and will be deducted from equity in the opening balance sheet when the merger has been completed in line with the requirements of corporate law.

Net financial items and results for associated companies yielded a loss of NOK 43 million (1999: NOK 57 million).

Profit before tax came to NOK 231 million (1999: NOK 156 million).

Net profit for the year amounted to NOK 154 million (1999: NOK 98 million)

### **Balance sheet and liquidity**

Liquid assets at 31 December 2000 totalled NOK 679 million (1999: NOK 468 million). Investment in 2000 came to NOK 482 million (1999: NOK 293 million). Net interest-bearing debt at 31 December 2000 amounted to NOK 263 million (1999: NOK 524 million). The group will refinance the loan portfolio during the first half of 2001 in connection with the implementation of the merger with Rema 1000 International AS. Group equity at 31 December 2000 amounted to NOK 1 067 million (1999: NOK 997 million), with an equity ratio of 28.0 per cent (1999: 30.3 per cent). This decline reflects an increased dividend payment as a consequence of the fact that the shares being issued to the former owners of Rema 1000 International in connection with the merger give the right to dividend for the 2000 fiscal year.

### **Business areas**

Narvesen has divided its operations into four business areas: Retailing Norway, Retailing Sweden, Wholesaling and Catering. Within Retailing Norway, the convenience trade and perfumery/cosmetics sectors report separately.

#### *Retailing Norway*

##### Convenience trade

The overall convenience trade market in Norway continued the positive progress made in 1999 during 2000, with food products and sales of services showing particular growth.

Sale of goods, including franchise outlets, for the sector increased by 4.2 per cent to NOK 2 798 million (1999: NOK 2 686 million).

Cash flow from operations totalled NOK 223 million (1999: NOK 197 million), an increase of 13.2 per cent.

Operating profit improved by 26.8 per cent to NOK 135 million (1999: NOK 105 million), while operating profit before depreciation of intangible assets came to NOK 164 million (1999: NOK 130 million).

The Narvesen chain achieved positive progress for profits in 2000. While sales of goods declined slightly, sales of services such as lotteries, phone cards and the like made strong progress. A new point of sales system was adopted by the chain during the year. 7-Eleven in Norway expanded beyond the eastern region for the first time in 1999, and had three units in Bergen at 31 December 2000. The chain achieved a sharp improvement in revenues and profits during 2000, and will strengthen its market position by opening more stores in the main Norwegian cities. Positive progress for revenues and results was made by 7-Eleven in Denmark. The chain had a positive cash flow, but continued to show an operating loss. It opened in Aalborg and Århus during 2000, with one store in each city, and further expansion is planned. Narvesen Baltija has secured a dominant place in the Latvian convenience trade through the acquisition of Preses Apvieniba. The unit achieved strong growth in revenues during 2000, but made a loss because of its high rate of expansion.

#### Perfumery and cosmetics

The Scandinavian perfumery and cosmetics market is continuing to expand. A restructuring of the specialist perfumery sector is under way, with the largest chain players expanding at the expense of the independent stores. Norway has come furthest in this process among the Scandinavian countries.

Sale of goods, including franchise outlets, increased by 14.8 per cent to NOK 628 million (1999: NOK 547 million).

Cash flow from operations came to NOK 49 million (1999: NOK 41 million), an increase of 19.5 per cent.

Operating profit was up by 8.7 per cent to NOK 25 million (1999: NOK 23 million). Operating profit before depreciation of intangible assets amounted to NOK 29 million (1999: NOK 27 million).

Esthetique achieved a good result and strengthened its position in Norway. During the autumn of 2000, the chain acquired five perfumeries in the Kristiansand region. Establishing and launching Esthetique in Sweden will partly be achieved by rebranding the Nectar chain. A commitment will also be made during 2001 to establishing operations in Denmark. Esthetique had four perfumeries in Latvia at 21 December 2000, and is planning further expansion in this market.

Vita made good progress for revenues and results in 2000. The Friman shops have now been integrated, and the chain is well on the way to ensuring profitable operation of these units. Costs associated with the integration process had a particular impact on the accounts for the first half-year. Vita has begun renewing the chain's identity, and will complete this process during the first half of 2001.

#### *Retailing Sweden*

The convenience trade sector in Sweden continues to expand. This market comprises a number of chains and independent units. The trend is for units which form part of a chain to have the strongest growth, while the independents lose market share across the board.

Sale of goods, including franchise outlets, for the business area rose by 8.5 per cent to NOK 2 014 million (1999: NOK 1 856 million).

Cash flow from operations came to NOK 156 million (1999: NOK 117 million), an increase of 33.3 per cent.

Operating profit rose by 45.2 per cent to NOK 90 million (1999: NOK 62 million). In connection with changes to Sweden's SPP pension scheme, NOK 15.1 million was recorded as income from the repayment of excess financing. Operating profit before depreciation of intangible assets totalled NOK 111 million (1999: NOK 86 million).

Both Pressbyrå and 7-Eleven in Sweden made good progress for revenues and results. 7-Eleven will expand further through increased density in Stockholm and Gothenburg as well as by opening its first units in the Malmö area.

Acquiring the Press Stop shops has strengthened the group's commitment to reading matter in the Swedish market.

A distribution centre for fresh produce opened during 2000, and is delivering daily to 160 of the group's own shops in the Stockholm area.

#### *Wholesaling*

This business area strengthened its position as an efficient distributor of both reading matter and convenience products to the convenience trade. The contract with Statoil for deliveries to its service stations has been extended to the end of 2002. Acquiring Svenska Interpress strengthened the reading matter profile in Sweden.

Operating revenues for the business area came to NOK 1 504 million (1999: NOK 1 131 million). This represented an increase of 32.9 per cent, with Svenska Interpress accounting for 24.8 per cent.

Cash flow from operations rose by 41.1 per cent NOK 72 million (1999: NOK 51 million).

Operating profit increased by 37.8 per cent to NOK 51 million (1999: NOK 37 million). This improvement partly reflects strong progress for Norwegian and Swedish sales of seasonal products such as Pokémon and the like.

Svenska Interpress was acquired with effect from 1 January 2000, and achieved good results. Swedcirc was acquired in full with effect from 1 April 2000 and integrated in Svenska Interpress during the year.

#### *Catering*

The Catering business area achieved positive progress, even though developments were weaker than expected. It will secure satisfactory profitability by completing the current consolidation and restructuring process.

Sale of goods, including franchise outlets, by the business area rose by 2.9 per cent to NOK 1 348 million (1999: NOK 1 310 million).

Cash flow from operations increased by 25.8 per cent to NOK 122 million (1999: NOK 97 million).

Operating profit totalled NOK 33 million (1999: NOK 16 million), including an accounting gain of NOK 6 million from the insurance settlement for the Tomtekaia fire. Excluding this settlement, operating profit rose by 68.8 per cent from 1999 to NOK 27 million in 2000. Operating profit before depreciation of intangible assets came to NOK 49 million (1999: NOK 30 million).

Peppes Pizza and TGI Friday's reported good progress for results compared with the year before. Togservice achieved a good and stable level of results. Burger King made a loss for 2000, but developments show positive signs. The cafe chain closed 11 units during the year, and its results declined from 1999. Measures initiated in Catering had a positive effect on results for the business area as a whole.

#### ***Environment information***

The Narvesen group provided employment for a total of 9 900 people at 31 December 2000, as against 10 400 a year earlier. Of these, 5 100 (1999: 5 000) were directly employed by the group.

Narvesen aims to make the group a good and attractive workplace for its staff. It accordingly maintains a strong focus on training and developing employees, in part through programmes for management training, team development and customer service.

Special attention was paid by the group during 2000 to measures relating to robbery prevention and to post-traumatic care for personnel who become the victims of such crimes.

Sickness absence was about 6.5 per cent as against roughly seven per cent in 1999. Priority was given to surveying the working environment and initiating measures in workplaces with a high rate of sickness absence.

Positive and trustful cooperation with the unions will be maintained.

The board takes the view that Narvesen's operations have a limited impact on the external environment.

### ***Other conditions***

#### **Shareholders**

The closing price for the Narvesen share at 29 December 2000 was NOK 279, compared with a price of NOK 245 at the beginning of the year. This represents a rise of 13.9 per cent, while the Oslo Stock Exchange's main index declined by 1.7 per cent over the same period.

At 31 December 2000, the company had 1 695 shareholders. The 20 largest owned 77.9 per cent of the stock and foreigners owned 11.2 per cent.

ICA B and Rautakirja OYJ each acquired 10 per cent of the shares during the autumn of 1999. ICA sold out in June 2000 and Rautakirja in January 2001.

An extraordinary general meeting on 18 January 2001 resolved to carry out a 1:5 share split. Following this operation, the company's share capital is divided by 50 000 000 shares with a nominal value of NOK 4. The change came into effect immediately, and shares in the company were registered at their new nominal value with the Norwegian Registry of Securities (VPS) on 19 January.

The same extraordinary general meeting approved the merger between Narvesen ASA and Rema 1000 International AS. This process will be implemented with accounting effect from 1 January 2001, and is due to be completed in mid-April 2001. In connection with the merger, 55 000 000 new shares with a nominal value of NOK 4 will be issued and placed in their entirety with shareholders of Rema 1000 International. These new shares give the right to dividend for the 2000 fiscal year.

#### **Management and organisational changes**

Thorbjørn Nord became president of Retailing Sweden on 1 September 2001. He was previously marketing vice president for the same business area.

Executive vice president Anne Biering (organisation and human resources) relinquished her post at 31 December 2000.

The corporate assembly elected a new board of directors for the company on 18 January 2001. This consists of Odd Reitan (chair), Leif Frode Onarheim, Jon Erik Nygaard, Erik Keiserud, Kjell Magnus Reitan, Berit-Ann Berget (employee representative) and Geir Jansen (employee representative).

Directors Gunnar Knudsen, Berit Kjøl and Egil Bråthe have stepped down. The board would like to take this opportunity to thank them for their big commitment to the group.

Merging with Rema 1000 International AS will involve changes in both legal and organisational structure. The new structure is due to be implemented during 2001. The executive management team for the new group will comprise Harald Tyrdal (chief executive), Hans Kristian Hustad (deputy chief

executive), Helge Lindalen (chief financial officer), Johannes Sangnes (executive vice president for new ventures and synergies), Per Graver (executive vice president for legal, human resources, health and the environment), Tom Kristiansen (president, grocery stores), Rolf Erik Lie (president, convenience trade), Sten Magnus (president, catering) and Carl Martin Krüger (president, wholesaling).

#### *Application of profit*

It is proposed to apply the net profit of NOK 117 million in Narvesen ASA as follows:

*(Amounts in NOK million)*

Dividend (NOK 0.80 per share)*	84
Group contribution	57
Other equity	(24)
Total applied	117

Free equity in Narvesen ASA after provision for dividend for the year is NOK 343 million.

\*calculated per share after the split and capital expansion (merger implementation).

#### *Prospects*

After several important acquisitions in 2000 and before, the group has given priority over the past year to consolidating and refining the business.

The board considered several strategic solutions which could lay the basis for further progress of the group in the Scandinavian market. This work resulted in the signing of a merger agreement with Rema 1000 International AS on 7 November 2000. The merger was approved by the company's general meeting on 18 January 2000, and will be implemented in mid-April 2001.

Through this merger, the board believes that the industrially-correct solution for the group has been found. It will also help to make the group's underlying asset value even more clearly visible. The basis has been laid for a retailing and service group with a number of strong concepts and substantial international operations. This new Reitan Narvesen group will be a competitive and innovative enterprise with a strong focus on the grocery and convenience trades, and will participate actively in the restructuring of the international retailing and service industry. The new group will have 2 600 sales outlets in seven countries, and employ 17 000 people.

Reitan Narvesen's strategic core business over the next few years will be chain operation in the grocery sector (Rema 1000 and Rema Petrol), convenience trade (Narvesen chain, Pressbyrån, 7-Eleven and Preses Apvieniba), specialist perfumeries (Esthetique and Vita) and wholesaling (Engros, Distribusjon and Svenska Interpress). Alternative ways of developing the catering business will be sought by the new group, and a process has been initiated which includes an assessment of cooperation with external partners.

#### *Retailing*

Rema 1000 Norway confirmed its position during 2000 as the country's leading discount grocery chain. Its strong consumer acceptance and competitiveness lay the basis for further growth in market shares. Rema 1000 Denmark has established itself as one of four players in the Danish discount market. Starting from Horsens in Jutland, the company initially established itself in that region and on the island of Funen. Over the past couple of years, however, it has also moved into Zealand to become nationwide. Rema 1000 Denmark will strengthen its market position through a heavy commitment to opening new stores.

In central Europe, Rema 1000 has secured its first footholds in Poland and Slovakia through a presence in Warsaw and Bratislava, while its involvement in Hungary is still in a start-up phase. Further growth is planned in Poland through a collaboration on store opening with Real Estate Central

Europe, a property company established by the Reitan group and other Norwegian investors. Growth in Slovakia and Hungary will derive primarily from acquisitions.

#### *Convenience trade*

The two national chains, Narvesen chain in Norway and Pressbyrå in Sweden, will be further strengthened in their respective home markets. For 7-Eleven, the strategy is continued growth in the Scandinavian markets by opening new stores in a number of the larger cities. Expansion to key markets in Europe will be evaluated as a natural extension of the convenience trade business. The aim for Preses Apvieniba is to develop the chain in its Latvian domestic market through an increased focus on profitability and a restructuring of the business.

#### *Non-food*

Esthetique has a solid position in the Norwegian market, and will be launched during 2001 in Sweden and Denmark. Continued growth in the Baltic states is another objective for this chain. Through a refurbishment of its image and further expansion, Vita will strengthen its position in the Norwegian market.

#### *Catering*

A far-reaching restructuring programme was initiated by Catering in 1999, with the focus on enhanced efficiency and increased profitability. To ensure that this business is adapted to future customer needs, renewal and development of existing concepts are regarded as a key part of the process. The measures initiated have yielded positive results and will be extended to make the resource potential in Catering visible. Alternative means of developing the catering business will be sought by the group, and a process has been initiated which includes an assessment of collaboration with external partners.

#### *Wholesaling*

The role as an independent distributor will be retained by the new group. Development of the value chain, efficiency improvements and better adaptation of the product range to customer requirements will strengthen relations with partners.

Reitan Narvesen will occupy strong market positions in its business areas. Applying the experience and expertise acquired to such areas as refining chain operation, franchising, concept development, marketing and brand building will help to strengthen the potential in the various chain concepts. As a large listed company, Reitan Narvesen will have solid financial strength. On that basis, the board believes that the conditions are right for continued growth and progress by the new group.

Oslo, 19 February 2001

The board of directors of Narvesen ASA

Odd Reitan  
Chair

Leif Frode Onarheim

Jon Erik Nygaard

Kjell Magnus Reit

Erik Keiserud

Berit-Ann Berget

Geir Jansen

Harald Tyrdal  
President and Chief executive officer

## Income statement 1.1. - 31.12

Amounts in NOK million	GROUP			NARVESEN ASA		
	2 000	1 999	1 998	2000	1999	1998
Operating revenues	7 143	6 524	6 186	5 174	4 960	4 581
Cost of goods sold	3 891	3 591	3 496	2 902	2 797	2 671
Payroll and other personnel expenses	1 690	1 557	1 424	1 213	1 137	1 016
Depreciation of tangible fixed assets	226	201	172	152	149	120
Depreciation of intangible fixed assets	73	67	68	41	37	22
Other expenses	989	895	841	678	670	600
Total operating expenses	6 870	6 311	6 001	4 986	4 790	4 428
<b>Operating profit</b>	<b>274</b>	<b>213</b>	<b>185</b>	<b>188</b>	<b>170</b>	<b>153</b>
Share of result in associated companies	(4)	(11)	(6)	-	-	-
Financial items	(39)	(46)	(71)	(20)	(37)	(59)
<b>Profit before tax</b>	<b>231</b>	<b>156</b>	<b>109</b>	<b>168</b>	<b>133</b>	<b>94</b>
Tax on ordinary profit	(81)	(62)	(42)	(51)	(38)	(25)
Minority interests	4	4	3	-	-	-
<b>Net profit for the year</b>	<b>154</b>	<b>98</b>	<b>70</b>	<b>117</b>	<b>95</b>	<b>68</b>
Transfers and allocations						
Dividend				84	30	28
Transfers to other equity				(24)	65	41
Group contribution				57	-	-
<b>Total transfers and allocations</b>				<b>117</b>	<b>95</b>	<b>68</b>
Earnings per share (NOK)	15.4	9.8	6.9			

## Balance sheet 31 December

## ASSETS

Amounts in NOK mill.	GROUP			NARVESEN ASA		
	2 000	1999	1998	2000	1999	1998
Intangible fixed assets						
Goodwill	850	857	921	416	442	473
Tangible fixed assets	1 077	982	912	754	698	674
Financial fixed assets						
Investments i associated companies	30	27	37	758	680	670
Pension funds	104	113	119	104	113	119
Other long-term receivables	103	38	31	366	378	385
Total financial fixed assets	237	178	187	1 228	1 171	1 174
Fixed assets	2 164	2 017	2 020	2 398	2 311	2 321
Inventory	483	531	421	379	432	332
Accounts receivable	490	278	301	300	277	57
Investments	300	133	99	300	133	99
Bankdeposits, cash in hand	379	335	346	190	203	200
Current assets	1 653	1 277	1 167	1 169	1 045	688
Assets	3 817	3 294	3 187	3 567	3 356	3 009

## EQUITY AND LIABILITIES

Amounts in NOK mill.	2000	1999	1998	2000	1999	1998
Paid-in capital	200	200	200	200	200	200
Retained earnings	867	797	727	759	783	718
Equity capital	1 067	997	927	959	983	918
Provisions for liabilities						
Pension liabilities	90	84	74	63	54	45
Deferred tax	63	50	77	101	103	101
Total provisions for liabilities	153	134	151	164	157	146
Long-term liabilities	942	992	1 119	898	1 026	1 100
Current liabilities						
Accounts payable	906	760	625	619	515	425
Other current liabilities	749	411	364	926	674	418
Total current liabilities	1 655	1 171	990	1 545	1 189	843
Total liabilities	2 750	2 297	2 260	2 608	2 372	2 091
Equity and liabilities	3 817	3 294	3 187	3 567	3 355	3 009
Guarantees	66	67	44	101	59	37

## Cash flow statement

Amounts in NOK mill.	GROUP			NARVESEN ASA		
	2000	1999	1998	2000	1999	1998
<b>Cash flow provided by/used in operating activities</b>						
Payments for sale of goods	7 527	7 159	6 790	5 747	5 326	5 474
Other payments from customers	692	578	505	415	370	223
Payments to suppliers for goods and services	(4 537)	(4 273)	(4 194)	(3 409)	(3 171)	(3 047)
Other payments to suppliers	(768)	(1 008)	(899)	(595)	(780)	(667)
Payments to employees and employee-related items	(1 630)	(1 606)	(1 430)	(1 180)	(1 133)	(1 010)
Financial items	(39)	(46)	(77)	(20)	(28)	(59)
Taxes	(69)	(29)	(33)	(35)	(9)	(33)
Net value-added tax paid	(369)	(282)	(299)	(264)	(224)	(243)
<b>Net cash flow from operations*)</b>	<b>807</b>	<b>493</b>	<b>363</b>	<b>658</b>	<b>351</b>	<b>639</b>
<b>Cash flow from investment activities</b>						
Sale of tangible fixed assets	35	16	9	33	11	4
Investments in tangible fixed assets	(478)	(332)	(337)	(318)	(226)	(599)
Acquisition of operations						
Purchases of shares/investments in other companies	(5)	(15)	-	-	(19)	-
Other investments	(3)	(1)	4	(78)	41	(21)
	(65)	4	1	11	(11)	(345)
<b>Net cash flow from investment activities</b>	<b>(516)</b>	<b>(328)</b>	<b>(323)</b>	<b>(352)</b>	<b>(204)</b>	<b>(960)</b>
<b>Cash flow from financing activities</b>						
Loan proceeds	-	(18)	1 123	-	26	1 067
Repayment of debt	(50)	(97)	(1 172)	(122)	(108)	(794)
Dividends paid	(30)	(28)	(25)	(30)	(28)	(25)
<b>Net cash flow from financing activities</b>	<b>(80)</b>	<b>(143)</b>	<b>(74)</b>	<b>(152)</b>	<b>(110)</b>	<b>249</b>
Translation gain/loss	-	-	(1)	-	-	-
Net change in cash and cash equivalents	211	22	(36)	154	37	(72)
Cash and cash equivalents at January 1	468	446	481	336	299	372
<b>Cash and cash equivalents at December 31</b>	<b>679</b>	<b>468</b>	<b>446</b>	<b>490</b>	<b>336</b>	<b>299</b>
*) Reconciliation						
Profit before tax	231	156	109	168	133	93
Taxes paid	(69)	(29)	(33)	(35)	(9)	(33)
Gain/loss on sale fixed assets	(2)	4	0	6	2	(0)
Ordinary depreciation	299	268	240	193	187	142
Write-downs	-	-	-	-	10	-
Share of result in associated companies	4	11	-	-	-	-
Variance recorded revenue and cash received from customers	(180)	59	(10)	(23)	(241)	176
Variance recorded cost of goods and payments to suppliers	159	79	67	153	269	239
Variance recorded other expenses and payments to suppliers	221	(34)	(53)	84	(32)	(23)
Variance recorded payroll expenses and payments to employees etc.	60	(49)	(6)	33	4	6
Change in VAT and investment tax due	27	(6)	(5)	23	(6)	(7)
Payment of VAT included in investment activities	57	34	55	56	34	47
<b>Net cash flow from operations</b>	<b>807</b>	<b>493</b>	<b>363</b>	<b>658</b>	<b>351</b>	<b>639</b>