



# A SCANDINAVIAN SERVICE GROUP



Results for 2000

# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## NARVESEN

Retailing  
Norway



Retailing  
Sweden



Wholesaling



Catering



Employees

9 900

Outlets

1 200

Customers per day

900 000

NARVESEN

# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## HIGHLIGHTS - 2000

### CONTINUED IMPROVEMENT:

- Sales growth and increased market share
- Improved results
- Improved cash flow from operations
- Strong financial position

<i>(NOK million)</i>	Year		Percentage change	4th quarter	
	2000	1999		2000	1999
Sale of goods, incl franchise outlets	8 249	7 517	9.7 %	2 247	1 991
Operating profit	274	213	29.0 %	73	60
Cash flow from operations (EBITDA)	573	481	19.1 %	154	133
Equity ratio (per cent)	28.0	30.3	-7,6 %	-	-

*EBITDA = Earnings before interest, tax, depreciation and amortisation*

# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## HIGHLIGHTS - 2000

### Group

#### **Strategic clarifications - merger with Rema 1000 International AS.**

*To be implemented mid-April, with accounting effect from 1 January 2001.*

#### **Acquisitions in Scandinavia and Latvia - 2000/2001**

<i>Svenska Interpress, Sweden</i>	<i>1 Jan 2000</i>
<i>Swedcirc, Sweden</i>	<i>1 Apr 2000</i>
<i>Nectar Sweden</i>	<i>15 Aug 2000</i>
<i>Press Stop, Sweden</i>	<i>1 Sep 2000</i>
<i>Preses Apvieniba, Latvia</i>	<i>1 Jan 2001</i>
<i>DCA, Denmark</i>	<i>1 April 2001</i>

#### **Sale of business**

<i>Togservice, Norway (50%)</i>	<i>1 April 2001</i>
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## HIGHLIGHTS - 2000

**Retailing Norway:**

Sharp improvement for 7-Eleven Norway. Narvesen chain: positive progress in results. 7-Eleven Denmark: positive cash flow but negative contribution. Narvesen Baltija: expansion and acquisition of Preses Apvieniba.

**Perfumery and cosmetics:**

Stable, good level of results for Esthetique, expansion to Sweden and Denmark. Vita strengthened market position, integrated Friman.

## HIGHLIGHTS - 2000

- Retailing Sweden:** Good progress for results in Pressbyrån and 7-Eleven Sweden. Start-up of fresh-produce distribution centre. Acquisition of Press Stop.
- Wholesaling:** Positive progress for results, Svenska Interpress delivering good results. Acquisition and integration of Swedcirc.
- Catering:** Positive progress, but weaker than expected. Good progress for Peppes Pizza, TGI Friday's and Togservice. Consolidation and restructuring process will continue in 2001.

# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## GROUP KEY FIGURES

<i>(NOK million)</i>	Year		Change in	4th quarter	
	2000	1999	%	2000	1999
Sale of goods, incl franchise outlets	<b>8 249</b>	7 517	9.7 %	<b>2 247</b>	1 991
Cash flow from operations (EBITDA)	<b>573</b>	481	19.1 %	<b>154</b>	133
Op profit before depr of intang fixed assets	<b>347</b>	280	24.2 %	<b>93</b>	75
Operating profit	<b>274</b>	213	29.0 %	<b>73</b>	60
Profit before tax	<b>231</b>	156	48.5 %	<b>68</b>	47
Total assets	<b>3 817</b>	3 294	15.9 %	-	-
Equity	<b>1 067</b>	997	6.6 %	-	-
Equity ratio (per cent)	<b>28.0</b>	30.3	-	-	-

# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## HIGHLIGHTS BY BUSINESS AREA

### Retailing Norway



- *Convenience trade*
  - Good progress in results for the Narvesen chain
    - Increased sales of services
    - Growth for lead products
  - Big growth in results for 7-Eleven Norway
    - Fast food/bakery accounted for 30 per cent of sales
    - Substantial increase in number of customers per day
    - Successful Bergen commitment – three shops at 31 December 2000
  - 7-Eleven Denmark showed fine progress in results
    - Success in Copenhagen's Strøget – opening in Aalborg and Århus
    - Good comparable growth



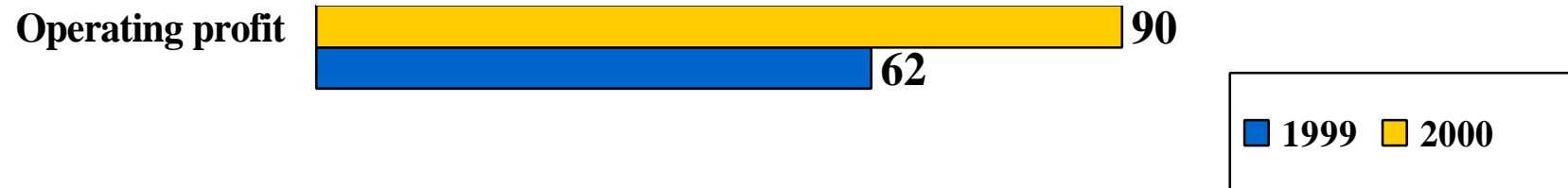
# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## HIGHLIGHTS BY BUSINESS AREA

- Baltija improving – still characterised by growth
  - Acquisition of Preses Apvieniba - 89.5% of shares in Preses Apvieniba with effect from 1 January 2001
  - Esthetique margins as in Norway
  - Accelerated Narvesen chain growth being pursued
- *Perfumery and cosmetics*
  - Esthetique
    - Stable level of results and margins
    - Launch of Esthetique in Sweden - acquisition of the Nectar chain
    - Launch of Esthetique in Denmark
  - Vita in progress
    - New logo – roll-out to be completed in the first half of 2001
    - The underlying business in Vita was good, and the chain is on target with integrating and securing profitable operation of the aquired Friman shops.

## HIGHLIGHTS BY BUSINESS AREA

### Retailing Sweden



*Opening of **distribution centre** for fresh produce in Stockholm*

- *Delivering to 160 shops.*

- ***Pressbyrån***

- Fine progress for results
- Roll-out of new image continuing
- Growth strategy



## HIGHLIGHTS BY BUSINESS AREA

### Retailing Sweden

- ***7-Eleven***

- Positive progress with results
- Faster rate of growth in Gothenburg
- Establishing in the Malmö area

- ***Press Stop***

- Acquired the remaining 50 per cent of the shares in the Press Stop group, 1 September
- SPP - NOK 15 million recorded as income from repayment of excess financing

# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## HIGHLIGHTS BY BUSINESS AREA

### Wholesaling



- Value chain development
- Concentrating Engros and Distribusjon at one site – decision postponed until 2001
- Svenska Interpress (SI) acquired with effect from 1 January 2000
- Dansk Centralagenur (DCA) - letter of intent signed 19 February 2001
- *Narvesen Engros*
  - Results – at same level as last year
  - Agreement on distributing Telenor phone cards
  - Agreement on deliveries to Statoil



## HIGHLIGHTS BY BUSINESS AREA

### Wholesaling

- *Narvesen Distribusjon*
  - Big sales of Pokémon products
  - Sales undermined by weak progress for certain product categories
  - Good cost control
  
- *SI*
  - Big sales of Pokémon products
  - Positive results, stronger coordination with Pressbyrån
  - Swedcirc acquired from 1 April, integrated in SI

# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## HIGHLIGHTS BY BUSINESS AREA

### Catering



- Letter of intent - sale of 50 per cent of Togservice to RG Holding
- Peppes, TGI Friday's and Togservice Norway: positive progress
- Focus on operations for Burger King
  - *Burger King, Mango (Gardermoen) - liquidation costs NOK 1.8 million*
  - *Burger King, Egertorget - start-up costs NOK 1.9 million*



## HIGHLIGHTS BY BUSINESS AREA

### Catering

- More efficient administrative support structure
  - *Gardermoen*
  - *Concentrating head office functions at one site*

#### Concentration on brands

- Structural change in the cafe chain
  - *25 Café Opus units*
    - » *3 units at 31 December 2000*
  - *15 Caroline Café units will be sold/closed*
    - » *11 units wound up in 2000*
  - *12 Caroline Café units will continue to be operated until the leases expire*

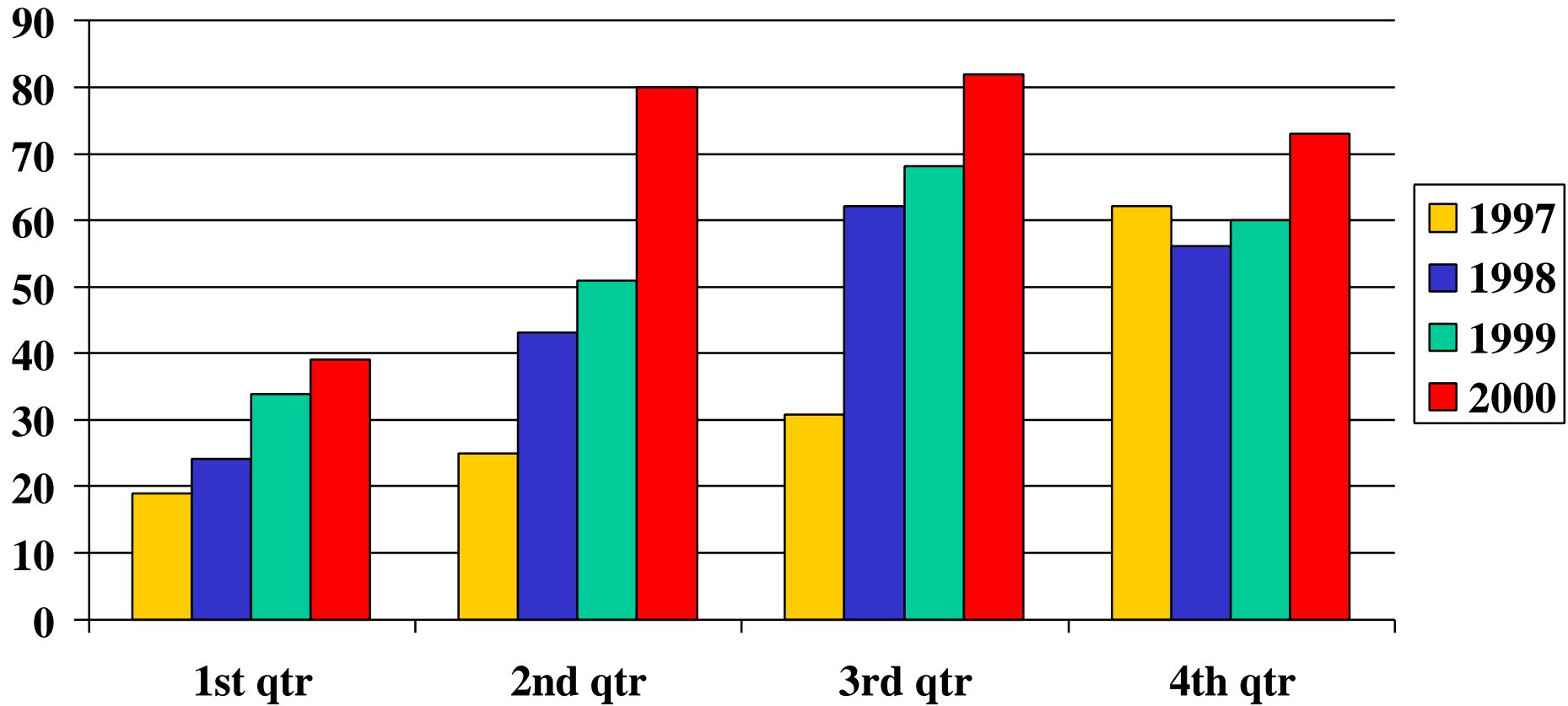
# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## GROUP INCOME STATEMENT

<i>(NOK million)</i>	Year		4th quarter	
	2000	1999	2000	1999
Operating revenues	7 143	6 524	2 013	1 753
Operating costs	6 570	6 043	1 859	1 620
<b>Cash flow from operations (EBITDA)</b>	<b>573</b>	481	<b>154</b>	133
Depr of tangible fixed assets	226	201	61	57
Depr of intangible fixed assets	73	67	20	15
<b>Operating profit</b>	<b>274</b>	213	<b>73</b>	60
Associated companies	(4)	(11)	1	(1)
Financial items	(39)	(46)	(5)	(12)
<b>Profit before tax</b>	<b>231</b>	156	<b>68</b>	47
Net operating margin (per cent)	3.2	2.3	3.4	2.7
Earnings per share (NOK) 10 mill shares	15.4	9.8	5.3	3.0
Cash flow per share 10 mill shares	57.3	48.1	15.4	13.3
Investments	482	293	248	104



## NARVESEN GROUP OPERATING PROFIT 1997-2000



# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## GROUP BALANCE SHEET

<i>(NOK million)</i>	At 31 December	
	2000	1999
Fixed assets	2 164	2 017
– of which goodwill	850	857
Other current assets	973	809
Liquid assets	679	468
Total assets	3 817	3 294
Equity	1 067	997
Interest-bearing debt	942	992
Non interest-bearing debt	1 808	1 305
Equity ratio (per cent)	28.0	30.3
Net interest-bearing debt	263	524

# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## SHAREHOLDERS AT 29 DECEMBER 2000\*

Shareholder	Number of shares	Ownership
Institusjonen Fritt Ord	3 400 000	34.00%
Handelsbanken Helsinki (Nominee)	999 999	10.00%
Storebrand Livsforsikring Aksjefond	593 500	5.94%
Kommunal Landspensjonskasse	495 140	4.95%
Vital Forsikring ASA	266 300	2.66%
Verdipapirfondet Avanse Spar	218 500	2.19%
Orkla ASA	213 000	2.13%
Verdipapirfondet Avanse	185 550	1.86%
Verdipapirfondet Avanse Kapital	185 000	1.85%
Sparebanken Midt-Norge Finansavd.	156 250	1.56%
Folketrygdfondet	141 200	1.41%
Hartog & Co A/S	140 000	1.40%
Gjensidige NOR	122 270	1.22%
Schibsted Finans AS	114 800	1.15%
Storebrand AMS	114 000	1.14%
Fondet Firstnordic Norge	101 200	1.01%
Sparebankenes Sikringsfond	100 000	1.00%
Aksjefondet K-avkastning	90 300	0.90%
NHO v/ Finansavdelingen	83 450	0.83%
Norsk Hydros Pensjonskasse	68 400	0.68%
<b>Total 20 largest shareholders</b>	<b>7 788 859</b>	<b>77.89%</b>
<b>Total all shareholders</b>	<b>10 000 000</b>	<b>100.00%</b>
<b>Non-Norwegian ownership</b>	<b>1 117 302</b>	<b>11.17%</b>

\*number of shares before share split

# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## SHAREHOLDERS AT 16 FEBRUARY 2001

Shareholder	Number of shares	Ownership
Institusjonen Fritt Ord	17 000 000	34.00%
Storebrand Livsforsikring Aksjefond	2 808 100	5.62%
Kommunal Landspensjonskasse	2 475 700	4.95%
Gjensidige NOR Spareforsikring	1 428 350	2.86%
Vital Forsikring ASA	1 417 500	2.84%
Verdipapirfondet Avanse Spar	1 092 500	2.19%
Verdipapirfondet Avanse Norge	944 000	1.89%
Verdipapirfondet Avanse Norden	925 000	1.85%
Sparebanken Midt-Norge Finansavd.	781 250	1,56%
Hartog & Co A/S	750 000	1.50%
Folketrygdfondet	706 000	1.41%
Nordbanken (nominee)	642 790	1.29%
Storebrand AMS	610 000	1.22%
Verdipapirfondet Skagen Vekst	525 000	1.05%
Fondet Firstnordic Norge Vekst	506 000	1.01%
Sparebankenes Sikringsfond	500 000	1.00%
Hafslund Invest AS	500 000	1.00%
Aksjefondet K-Avkastning	451 500	0.90%
Postbanken Aksjespar	450 950	0.90%
NHO v/Finance Dept.	417 250	0.83%
<b>Total 20 largest shareholders</b>	<b>34 931 890</b>	<b>69.86%</b>
<b>Total all shareholders</b>	<b>10 000 000</b>	<b>100.00%</b>
<b>Non-Norwegian ownership</b>	<b>1 568 745</b>	<b>3.14%</b>

# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## MAIN FIGURES BY BUSINESS AREA





### ***Retailing Norway***

*Convenience trade*

*(NOK million)*

	Year		4th quarter	
	2000	1999	2000	1999
Sale of goods, incl franchise outlets	<b>2 798</b>	2 686	<b>728</b>	706
Operating revenues	<b>2 303</b>	2 306	<b>609</b>	627
Op profit before depr of intangible assets	<b>164</b>	130	<b>44</b>	38
Operating profit	<b>135</b>	105	<b>36</b>	33
Operating margin (per cent)*	<b>4.8</b>	3.9	<b>4.9</b>	4.7
Cash flow from operations (EBITDA)	<b>223</b>	197	<b>61</b>	61
Cash flow margin (per cent)*	<b>8.0</b>	7.3	<b>8.4</b>	8.6
Investments	<b>169</b>	74	<b>97</b>	34

\* as per cent of sale of goods, incl franchise outlets

		 Norge	 Danmark	 Baltija
Sales outlets	425	54	29	24
Sale of goods, incl franchise outlets	1 837	599	298	64
Growth in sales (per cent)	(0.6)	18.0	2.8	59.6
Comparable growth (per cent)	(0.1)	10.3	19.6	12.6
Growth sales in services (per cent)	7.3			



# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## MAIN FIGURES BY BUSINESS AREA

***Retailing Norway***  
*Perfumery and cosmetics*  
*(NOK million)*

	Year		4th quarter	
	2000	1999	2000	1999
Sale of goods, incl franchise outlets	<b>628</b>	547	<b>197</b>	182
Operating revenues	<b>618</b>	535	<b>195</b>	178
Op profit before depr of intangible assets	<b>29</b>	27	<b>14</b>	8
Operating profit	<b>25</b>	23	<b>13</b>	7
Operating margin (per cent)*	<b>4.0</b>	4.2	<b>6.6</b>	4.0
Cash flow from operations (EBITDA)	<b>49</b>	41	<b>18</b>	13
Cash flow margin (per cent)*	<b>7.8</b>	7.5	<b>9.1</b>	7.2
Investments	<b>37</b>	32	<b>11</b>	11

\* as per cent of sale of goods, incl franchise outlets

Sales outlets

Sale of goods, incl franchise outlets

Growth in sales (per cent)

Comparable growth (per cent)

**ESTHETIQUE**

	67	90
	312	316
	8.9	21.2
	4.9	5.0

**VITA**  
 Hennes verden

**NARVESEN**

# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## MAIN FIGURES BY BUSINESS AREA

### *Retailing Sweden*

(NOK million)

	Year		4th quarter	
	2000	1999	2000	1999
Sale of goods, incl franchise outlets	<b>2 014</b>	1 856	<b>490</b>	485
Operating revenues	<b>1 327</b>	1 227	<b>339</b>	318
Op profit before depr of intangible assets	<b>111</b>	86	<b>30</b>	21
Operating profit	<b>90</b>	62	<b>25</b>	14
Operating margin (per cent)*	<b>4.5</b>	3.4	<b>5.0</b>	3.0
Cash flow from operations (EBITDA)	<b>156</b>	117	<b>44</b>	27
Cash flow margin (per cent)*	<b>7.7</b>	6.3	<b>9.0</b>	5.6
Investments	<b>120</b>	52	<b>35</b>	16

\* as per cent of sale of goods, incl franchise outlets

Pressbyrån 

  
Sverige




Sales outlets	314	49
Sale of goods, incl franchise outlets	1 593	407
Growth in sales (per cent)	6.4	13.3
Comparable growth (per cent)	4.6	15.0

**NARVESEN**

# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## MAIN FIGURES BY BUSINESS AREA

<i>Wholesaling</i> (NOK million)	Year		4th quarter	
	2000	1999	2000	1999
Operating revenues	2 244	1 681	755	426
Operating profit	51	37	18	9
Operating margin (per cent)	2.3	2.2	2.4	2.1
Cash flow from operations (EBITDA)	72	51	25	12
Cash flow margin (per cent)	3.3	3.0	3.3	3.0
Investments	37	7	28	1

	 <i>Distribusjon</i>	 <i>Engros</i>	
Sale of goods	402	1 507	277
Growth in sales (per cent)	4.0	18.8	-
Comparable growth (per cent)	4.0	0.2	-



# NARVESEN - A SCANDINAVIAN SERVICE GROUP

## MAIN FIGURES BY BUSINESS AREA

<i>Catering</i> (NOK million)	Year		4th quarter	
	2000	1999	2000	1999
Sale of goods, incl franchise outlets	1 348	1 310	340	346
Operating revenues	1 389	1 324	353	355
Op profit before depr of intangible assets	49	30	15	7
Operating profit	33	16	10	5
Operating margin (per cent)*	2.4	1.2	3.0	1.4
Cash flow from operations (EBITDA)	122	97	32	25
Cash flow margin (per cent)*	9.1	7.4	9.4	7.1
Investments	73	112	33	27

\* as per cent of sale of goods, incl. franchise outlets

**Selvservering**



**Togservice**

Sales outlets	52	27	46	5	-
Sale of goods, incl franchise outlets	369	277	456	139	62
Growth in sales (per cent)	(14.0)	5.0	16.3	34.9	(27.4)
Comparable growth (per cent)	1.2	2.7	9.6	11.6	-

**NARVESEN**