

AVA - AVANTOR GROUP - RESULTS FOR FIRST QUARTER 1999 - SUMMARY

In the first quarter the group recorded operating profit I (before capital gains and renovation costs) of NOK 40.5 mill (36.3), operating profit II (after capital gains and renovation costs) of NOK 38.4 mill (22.5) and pre-tax profit of NOK 11.5 mill (-1.3). Cash flow from operations totalled NOK 28.2 mill (20.5) for the period, with operating costs as a percentage of rental income standing at 15.7 % (16.9 %).

The rental value of the group's property increased from NOK 273.1 mill to NOK 274.2 mill during the period. Vacancy increased slightly during the first quarter from 1.8 % to 2.1 %.

Avantor has started to build a new headquarters for EDB ASA at Gullhaug Torg 4.

"We are delighted with both our ongoing healthy performance and the continued development of Nydalen," says MD Christian Joys.

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The first quarter also saw the group renegotiating or entering into new leases for a total of 16 500 m². The rental value of the group's property increased from NOK 273.1 mill at the beginning of the year to NOK 274.2 mill at the end of March. Vacancy increased slightly during the first quarter from 1.8 % to 2.1 %.

March 1999 saw Avantor sign a contract with EDB ASA to construct a new headquarters for the company in Nydalen. The contract involves leasing half of Gullhaug Torg 4 - around 7 600 m² of efficient office space - and will boost Avantor's annual rental income by around NOK 12.3 mill. EDB ASA also has an option until 01.07.99 to lease the entire building, which will house 16 375 m² of office space in all. This major construction project marks the continuation of Avantor's development of Nydalen.

Avantor bought back 1 106 700 of its shares - representing a 5 % stake in the company - in January 1999, leaving 21 027 008 shares in other hands. This move was prompted by the fact that Avantor's shares were then trading at a substantial discount to consensus estimates of underlying values. The shares were bought at an average price of NOK 49.88 each, representing a discount to underlying values of around 35 %. This is seen as making prudent use of the company's surplus cash, and will not limit the planned development of Nydalen in any way. The year so far has seen a healthy increase in the value of Avantor's shares, which climbed from NOK 40 at the end of 1998 to NOK 58 in May 1999, thus outperforming both the Oslo Stock Exchange's all-share index and its property index.

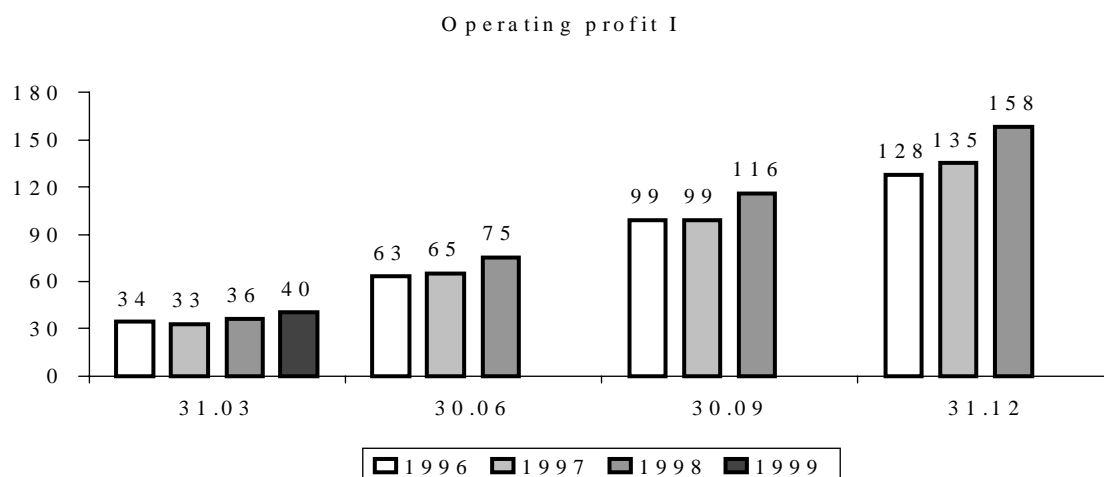
Oslo, 12 May 1999

AVANTOR ASA

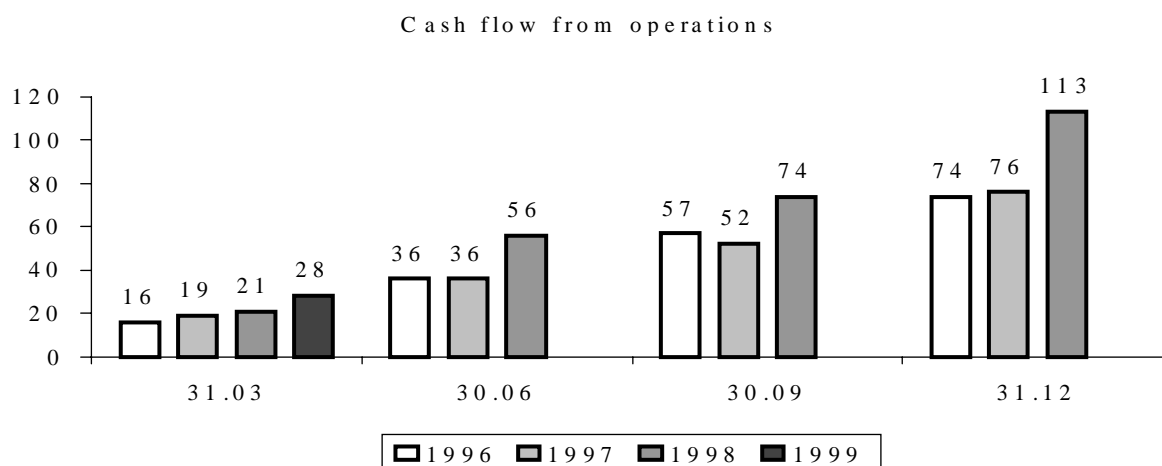
Christian Joys

AVA - AVANTOR GROUP - FIRST QUARTER 1999

The Avantor group has continued to make healthy progress: in the first quarter the group recorded operating profit I (before capital gains and renovation costs) of NOK 40.5 mill, operating profit II (after capital gains and renovation costs) of NOK 38.4 mill and pre-tax profit of NOK 11.5 mill.



Cash flow from operations totalled NOK 28.2 mill for the period, with operating costs as a percentage of rental income standing at 15.7 %.



The first quarter also saw the group renegotiating or entering into new leases for a total of 16 500 m². The rental value of the group's property increased from NOK 273.1 mill at the beginning of the year to NOK 274.2 mill at the end of March. Vacancy increased slightly during the first quarter from 1.8 % to 2.1 %.

First quarter 1999 in brief

March 1999 saw Avantor sign a contract with EDB ASA to construct a new headquarters for the company in Nydalen. The contract involves leasing half of Gullhaug Torg 4 - around 7 600 m² of efficient office space - and will boost Avantor's annual rental income by around NOK 12.3 mill. EDB ASA also has an option until 01.07.99 to lease the entire building, which will house 16 375 m² of office space in all. This major construction project marks the continuation of Avantor's development of Nydalen.

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The new Financial Reporting Act entered into force at the beginning of 1999. The most important consequence of the new legislation for Avantor is that interest on building loans must now be capitalised. The figures for previous years have been restated and the layout of the balance sheet adjusted accordingly.

Income and profit

First-quarter rental income climbed from NOK 58.3 mill to NOK 65.4 mill.

First-quarter operating profit I rose from NOK 36.3 mill to NOK 40.5 mill.

Renovation costs of NOK 2.1 mill were charged against profit in the first three months of 1999, a considerable drop from NOK 19 mill for the corresponding period in 1998 since the major renovation projects at Nydalsveien 28 and Nydalsveien 26 were completed during the year.

Net interest payable rose from NOK 23.8 mill or the first quarter of 1998 to NOK 26.9 mill. A total of NOK 1.5 mill in interest on building loans was capitalised during the period. Interest on building loans stood at NOK 4.1 mill for the first quarter of 1998.

At the end of the first quarter the group was paying interest at an average rate of 7 %, the same rate as at the end of 1998. The average fixed interest term increased slightly from 3.9 years at the year-end to four years.

The company recorded profit for the period of NOK 11.5 mill, in contrast to a loss of NOK 1.3 mill for the first quarter of 1998. Cash flow from operations during the first quarter also showed an increase, from NOK 20.5 mill in the first quarter of last year to NOK 28.2 mill.

Operating costs as a percentage of rental income fell from 16.9 % in the first quarter last year to 15.7 % this year.

Condensed consolidated profit and loss account

(NOK mill)	31.03.1999	*Pro forma 31.03.1998	*Pro forma 31.12.1998
<i>Rental income</i>	65.4	58.3	249.0
Property operating costs	3.8	4.6	19.5
Administration costs	6.5	5.3	19.2
Bad debts	0.0	0.0	0.3
<i>Total operating costs</i>	10.3	9.9	39.0
Depreciation	14.6	12.1	52.5
<i>Operating profit I</i>	40.5	36.3	157.5
Capital gains	0.0	5.2	60.4
Renovation costs	-2.1	-19.0	-32.2
<i>Operating profit II</i>	38.4	22.5	185.7
Net interest payable	-26.9	-23.8	-97.4
<i>Profit before tax</i>	11.5	-1.3	88.3

Condensed consolidated balance sheet

(NOK mill)	31.03.1999	*Pro forma 31.03.1998	*Pro forma 31.12.1998
Property and land	2 452.0	2 303.9	2 440.3
Other tangible fixed assets	7.1	8.7	7.1
Financial fixed assets	283.4	279.7	284.7
<i>Total fixed assets</i>	2 742.5	2 592.3	2 732.1
Current assets	116.4	298.3	222.1
<i>Total assets</i>	2 858.9	2 890.6	2 954.2
Gross shareholders' equity	727.5	633.1	720.6
Own shares	-55.4	-	-
<i>Net shareholders' equity</i>	672.1	633.1	720.6
Deferred tax	144.0	145.7	144.0
Long-term interest-bearing liabilities	1 926.4	1 994.1	1 962.2
<i>Total long-term liabilities</i>	2 070.4	2 139.8	2 106.2
Current interest-free liabilities	116.4	83.1	127.3
Current interest-bearing liabilities	0.0	34.6	0.0
<i>Total current liabilities</i>	116.4	117.7	127.3
<i>Total equity and liabilities</i>	2 858.9	2 890.6	2 954.1

Key ratios

	31.03.1999	*Pro forma 31.03.1998	*Pro forma 31.12.1998
Equity/assets ratio (%)	23.5	21.9	24.4
Cash flow from operations (NOK mill)	28.2	20.5	112.6
Operating costs/rental income (%)	15.7	16.9	15.6
Occupancy (%)	97.9	97.1	98.2
Average fixed interest term (years)	4.0	4.4	3.9
Average borrowing rate (%)	7.0	6.3	7.0

*Restated to take account of the new Financial Reporting Act.

Balance sheet and key ratios

Total assets at the end of the first quarter of 1999 dipped from NOK 2 954.2 mill at the end of 1998 to NOK 2 858.9 mill.

Book equity totalled NOK 672.1 mill, against NOK 633.1 mill at the same time last year and NOK 720.6 mill at the year-end. The reduction in equity during the first quarter was due to a NOK 55.4 mill share buy-back.

Long-term interest-bearing liabilities were reduced from NOK 2 106.2 mill at the year-end to NOK 2 070.4 mill. In addition to mortgage loans, this item includes NOK 120 mill in notes loans with an underlying long-term line of credit as a backstop.

Financing

Avantor is paying interest at an average of 7 %, which is the same as at the year-end. The interest rates on 9 % of the loan portfolio, including notes loans, will be renegotiated in 1999 and those on a further 19 % in the year 2000. The average fixed interest term for the portfolio is four years.

The market and competition

The results of a customer satisfaction survey carried out by Avantor indicate that most of our customers are satisfied with our work, but that we could still improve customer service in certain areas. The survey also showed that many of our customers need more space.

Small office premises (ie up to 1 000 m²) are still in demand, and market rates are holding steady. Optimism is on the up in the business community, and the company's DM/TM campaign brought an excellent response. Plenty of interest is still being shown in office space in Nydalen.

Property development

The increase in capacity in the construction market has brought a drop in construction costs. Major professional tenants expect this to be reflected in the rents on new property, and this shows in the market rates for large office premises. However, the development of new projects will continue to meet the required rate of return on capital invested. Levels of demand suggest that the development of Nydalen is set to continue.

Oslo, 11 May 1999

Jan Petter Storetvedt Kjell Inge Røkke Carl Erik Krefting Göte Dahlin Truls Holthe
(Chairman)

Christian Joys
(Managing Director)