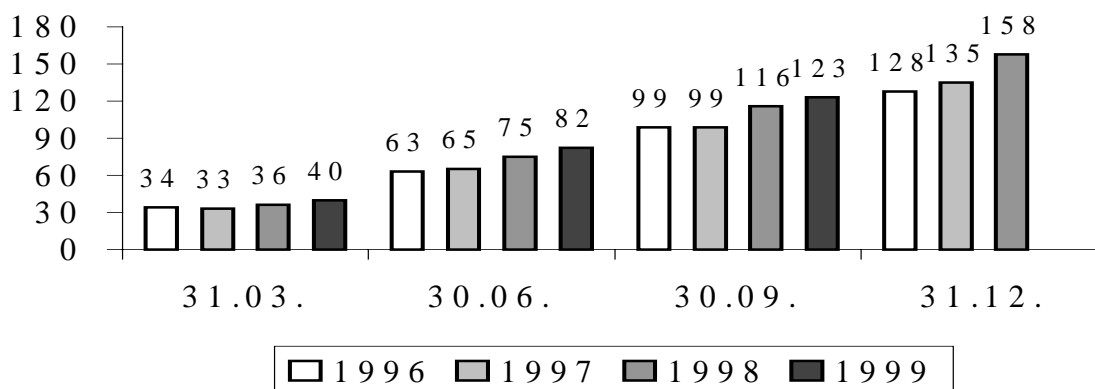


AVANTOR GROUP – INTERIM REPORT FOR THE THIRD QUARTER OF 1999

Nydalen is continuing to progress well. Underlying rental income increased from NOK 273.1 mill at 1 January 1999 to NOK 283.3 mill at 30 September 1999, owing to the successful renegotiation of leases and the delivery of the second building stage to Posten SDS. During the first nine months of 1999 the group renegotiated or entered into new leases for a total of 31,300 m². Vacancy by rental value is currently at 1.2 %, compared with 1.8 % at the beginning of the year.

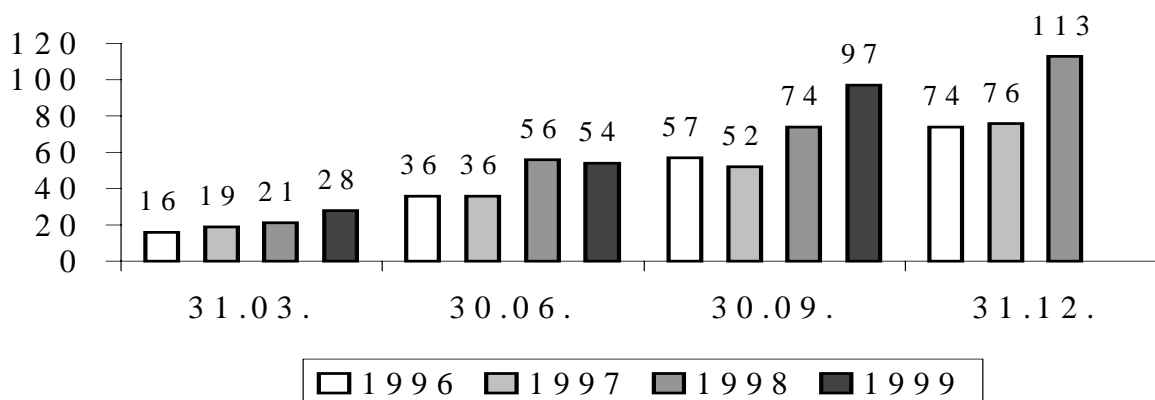
The group recorded operating profit I of NOK 123.1 mill, operating profit II of NOK 125 mill and pre-tax profit of NOK 54.9 mill in the first nine months of the year.

Operating profit I



The group generated cash flow from operations of NOK 97.2 mill and operating costs came to 15.3 % of rental income.

Cash flow from operations



The new Financial Reporting Act entered into force in Norway at the beginning of 1999. The most important impact of this new legislation on Avantor's profit and loss account is that interest on building loans must now be capitalised. The figures for previous years have therefore been restated accordingly. The layout of the balance sheet has also been adjusted in line with the new legislation.

Important events during the third quarter

RGI Holdings Inc

RGI Holdings Inc, which owns approximately 80 % of the shares in the US real estate company Legend Properties, Inc. has made an offer to the other shareholders to purchase their shares for USD 0.13 per share. Avantor owns approximately 20 % of RGI Holdings, Inc. through its subsidiary Avantor International AS. The remaining shares in RGI Holdings, Inc. are owned by Aker RGI ASA.

In connection with this offer the existing shareholder agreement between Avantor and Aker RGI has been extended. At the same time Avantor has negotiated an amendment to the shareholder agreement with Aker RGI. Under the amended agreement Avantor is still entitled to swap its investment in RGI Holdings Inc for shares in Legend Properties, Inc. Provided that the minority shareholders accept the offer to be bought out, Avantor will own roughly 27 % of the shares in Legend Properties, Inc. after the transaction.

Legend Properties, Inc. is currently engaged in a major restructuring process after prolonged poor performance and results. Once this process has been completed, Avantor will undertake a detailed assessment of its investment in RGI Holdings, Inc. It is assumed that the investment, with a current book value of NOK 140.6 mill, would have to be written down. Any write-down will be carried out in connection with publication of the annual report and accounts for 1999.

Bond issue

During the third quarter of 1999 Avantor issued a bond issue worth NOK 320 mill with a 10-year term and a 7.75 % coupon rate. The issue is secured by a mortgage on Nydalsveien 28, the head office of Posten SDS AS. Disbursement of the loan will take place on 10 November 1999, and from that date the loan has been swapped to floating interest rate conditions.

Income and profit

Total rental income at 30 September 1999 amounted to NOK 197.6 mill, compared with NOK 183.5 mill at the same time last year. The increase is attributable to the completion of the final stage of Nydalsveien 28.

Operating profit I came to NOK 123.1 mill, compared with NOK 116 mill in the first nine months of 1998.

The accounts for the first nine months of 1999 feature renovation costs of NOK 6.3 mill, compared with NOK 32.2 mill for the whole of 1998. This is attributable to the completion of the major renovation projects at Nydalsveien 28 and Nydalsveien 26 during the course of 1998.

Net interest payable for the period was NOK 70.1 mill at 30 September 1999, compared with NOK 79.8 mill at the same date in 1998. The reduction is due to Avantor shortening two interest swap agreements, thereby realising a considerable discount. Building loan interest of NOK 8.7 mill was capitalised in the first nine months of the year, compared with NOK 13.8 mill in the pro forma accounts for the same period last year.

At the end of September 1999 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 at the end of September was 3.5 years after the shortening of the interest swap agreements, compared with 3.9 years at the end of 1998.

Pre-tax profit for the third quarter in isolation amounted to NOK 54.9 mill, compared with NOK 40.9 mill in the same period last year. The group generated cash flow from operations of NOK 97.2 mill in the first nine months of 1999, compared with NOK 74.1 mill in the same period last year.

Operating costs dropped from 16.1 % of rental income in the first nine months of 1998 to 15.3 % this year.

Condensed consolidated profit and loss account

01.07.- 30.09.98	01.07.- 30.09.99		30.09.99	Pro forma 30.09.98	Pro forma 31.12.98
		(NOK mill)			
65.0	65.7	Rental income	197.6	183.5	249.0
4.8	4.9	Property operating costs	14.7	14.8	19.5
5.5	5.0	Administration costs	15.6	14.8	19.2
0.0	0.0	Bad debts	0.0	0.0	0.3
10.3	9.9	Total operating costs	30.3	29.6	39.0
13.3	15.0	Depreciation	44.2	37.9	52.5
41.4	40.8	Operating profit I	123.1	116.0	157.5
0.0	0.0	Capital gains	8.2	30.4	60.4
-4.1	-2.0	Renovation costs	-6.3	-25.7	-32.2
37.3	38.8	Operating profit II	125.0	120.7	185.7
-23.3	-14.5	Net interest payable	-70.1	-79.8	-97.4
14.0	24.3	Profit before tax	54.9	40.9	88.3

Condensed consolidated balance sheet

(NOK mill)	30.09.99	Pro forma 30.09.98	Pro forma 31.12.98
Property and land	2 516.6	2 373.7	2 440.3
Other tangible fixed assets	6.1	7.7	7.1
Financial fixed assets	280.7	285.2	284.7
Total fixed assets	2 803.4	2 666.6	2 732.1
Current assets	111.1	124.3	222.1
Total assets	2 914.5	2 790.9	2 954.2
Gross shareholders' equity	769.7	720.2	720.6
Own shares	-55.4	-	-
Net shareholders' equity	714.3	720.2	720.6
Deferred tax	143.5	145.3	144.0
Long-term interest-bearing debt	1 966.1	1 858.4	1 962.2
Total long-term liabilities	2 109.6	2 003.7	2 106.2
Current interest-free debt	90.6	67.0	127.3
Current interest-bearing debt	0.0	0.0	0.0
Total current liabilities	90.6	67.0	127.3
Total equity and liabilities	2 914.5	2 790.9	2 954.1

Key figures

	30.09.99	Pro forma 30.09.98	Pro forma 31.12.98
Equity/assets ratio (%)	24.5	25.8	24.4
Cash flow from operations (NOK mill)	97.2	74.1	112.6
Operating costs/rental income (%)	15.3	16.1	15.6
Average fixed interest term (years)	3.5	4.4	3.9
Average borrowing rate (%)	7.0	6.9	7.0
Average remaining rental period (years)	6.5	6.8	6.5
Occupancy (%)	98.8	97.7	98.2

Balance sheet and key figures

Total assets at 30 September 1999 amounted to NOK 2 914.5 mill, compared with NOK 2 954.2 mill at the same date last year.

Shareholders' equity totalled NOK 714.3 mill at the end of the period, compared with NOK 720.2 mill at the same date last year and NOK 720.6 mill at the beginning of the period. The reduction in equity in the first nine months of the year was due to a NOK 55.4 mill share buyback.

Long-term interest-bearing debt equalled NOK 1 966.1 mill, compared with NOK 1 962.2 mill at the beginning of the year. Besides mortgage loans, this figure includes NOK 125 mill in building loans and NOK 50 mill in notes loans with an underlying long-term line of credit as back-stop.

Financing

Avantor is now paying interest at an average of 7 %, the same rate as at the year-end. 7 % of the group's interest-bearing debt (including notes and building loans) is on variable rates or rates due to be renegotiated by the end of 1999, and the rates on a further 8.6 % are due to be renegotiated in 2000. The average fixed interest term for the portfolio is 3.5 years.

Market conditions and competition

Demand for office accommodation has been buoyant in the late 1990's and peaked in the summer of 1998. The market then took a turn for the worse and was relatively slow in the first nine months of this year. Rental prices have shown signs of picking up, but the market appears to have incorporated the increased capacity. The rental price for new buildings is not expected to fall significantly in the near future. Avantor has a rental level which is below average market rates for the contracts which are due for renegotiation in the near future. The market rates for new projects continue to meet the required rates of return, and the Nydalen development will therefore continue on an ongoing basis.

Events after 30 September 1999

The board of directors of EDB Business Partner ASA has decided to exercise its option on the remaining premises at Gullhaug Torg 4 on behalf of its subsidiaries EDB 4Tel AS and EDB Fundator AS, which means that the initial building stage is rented out in its entirety. Negotiations are under way with EDB Business Partner ASA concerning the rental of parts of building stage 2. The second stage is due to be completed and ready for use in December 2000.

In October Avantor ASA bought back 134 600 shares in total, at NOK 50 per share. The shares were purchased through a broker on the stock exchange. After this transaction the company has bought back 5.6 % of the shares.

In the National Budget for the year 2000 the government proposes allocating NOK 84 mill to the development of a new subway. The first stage of construction is scheduled for completion in 2003 provided that the central authorities and the municipality of Oslo approve the development agreement.

Oslo, 9 November 1999

Jan Petter Storetvedt
(chairman)

Kjell Inge Røkke

Carl Erik Krefting

Truls Holthe

Göte Dahlin

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(CEO)