

AVA - AVANTOR - NINE-MONTH INTERIM REPORT 2000 - PRESS RELEASE

Demand for new premises in Nydalen remains buoyant and vacancy is minimal. Avantor therefore intends an accelerated development programme in the district to meet demand for modern premises in an attractive environment. The development plan for Nydalen Syd has been approved by Oslo City Council and the construction of the new underground railway link with a station in Nydalen is under way. This is further enhancing the appeal of the district and means that work may now begin on the planned development projects.

The group's performance during the third quarter was in line with expectations. When comparing the accounting figures for 2000 and 1999 it should be noted that large parts of the group's property portfolio were sold to Industrifinans Næringseiendom ASA (IFN) in March 2000, but with Avantor continuing to manage the properties in question.

Operating profit for the first nine months came to NOK 62 (123.1) million before and NOK 419.6 (125.0) million after capital gains and renovation costs. Net interest of NOK 25.1 (70.1) million was payable for the period following net interest receivable of NOK 2 million for the third quarter in isolation. Pre-tax profit for the first nine months was NOK 394.5 (54.9) million. Rents in Nydalen are continuing to rise following the renegotiation of leases.

Construction of the Torgbygget complex, which will include access to the underground station, has started through a joint contract with the Oslo Road & Transport Authority, which is responsible for the construction of the new underground link. The first phase from Ullevål to Storo will open in 2003 and the remainder of the line is due to be completed in 2006. The Torgbygget complex will boast hotel and conference facilities and other services for business. It has also been decided to begin work on Gjerdrums vei 4 (8 500 m² gross) and a multi-storey carpark at Gjerdrums vei 16.

Demand for premises in Nydalen remains buoyant. Nydalen is "fully" let with vacancy of just 1%. The group renegotiated or entered into leases for a total of 67 500 m² during the first nine months, including 10 100 m² in new buildings.

The development plan for Nydalen Syd has been approved by Oslo City Council and so work may now begin on virtually all the office accommodation planned for the south of the district.

1.7.99- 30.9.99	1.7.00- 30.9.00		30.9.00	30.9.99	31.12.99
65.7	21.2	Rental income	110.5	197.6	267.4
-	2.3	Management income	5.1	-	-
65.7	23.5	<i>Total sales</i>	115.6	197.6	267.4
-4.9	-5.3	Property operating costs	-11.1	-14.7	-20.2
-5.0	-4.4	Administration costs	-15.6	-15.6	-20.7
-9.9	-9.7	<i>Total operating costs</i>	-26.7	-30.3	-40.9
-15.0	-5.4	Depreciation	-26.9	-44.2	-58.1
40.8	8.4	<i>Operating profit I</i>	62.0	123.1	168.4
0.0	0.0	Capital gains	369.6	8.2	8.3
-2.0	-1.6	Renovation costs	-12.0	-6.3	-7.8
-	-	Write-downs investments	-	-	-122.6
38.8	6.8	<i>Operating profit II</i>	419.6	125.0	46.3
-14.5	2.0	Net financial items	-25.1	-70.1	-101.3
24.3	8.8	<i>Profit before tax</i>	394.5	54.9	-55.0

Consolidated balance sheet

	30.9.00	30.9.99	31.12.99
Properties and land	775.2	2 516.6	2 597.7
Financial fixed assets	210.2	286.8	163.5
<i>Total fixed assets</i>	<i>985.4</i>	<i>2 803.4</i>	<i>2 761.2</i>
<i>Current assets</i>	<i>458.8</i>	<i>111.1</i>	<i>212.5</i>
<i>Total assets</i>	<i>1 444.2</i>	<i>2 914.5</i>	<i>2 973.7</i>
Gross shareholders' equity	516.2	769.7	667.4
Own shares	-	-55.4	-101.7
<i>Net shareholders' equity</i>	<i>516.2</i>	<i>714.3</i>	<i>565.7</i>
Deferred tax	121.0	143.5	113.7
Long-term interest-bearing liabilities	486.6	1 966.1	2 182.7
<i>Total long-term liabilities</i>	<i>607.6</i>	<i>2 109.6</i>	<i>2 296.4</i>
<i>Current interest-free liabilities</i>	<i>320.4</i>	<i>90.6</i>	<i>111.6</i>
<i>Total liabilities and equity</i>	<i>1 444.2</i>	<i>2 914.5</i>	<i>2 973.7</i>

Key figures

	30.9.00	30.9.99	31.12.99
Equity/assets ratio (%)	35.7	24.5	19.1
Cash flow from operations (NOK million)	63.8	97.2	125.2
Average fixed interest term (years)	5.1	3.5	3.0
Average borrowing rate (%)	5.7	7.0	7.0
Average remaining rental period (years)	5.7	6.5	6.3
Occupancy (%)	98.5	98.8	97.2

Oslo, 8 November 2000

AVANTOR ASA

Christian Joys

AVA - AVANTOR GROUP - NINE-MONTH INTERIM REPORT 2000

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AVANTOR ASA

Financial performance

Rental income

Rental income for the first nine months was NOK 110.5 million, compared with NOK 197.6 million for the same period of 1999. Rents in Nydalen are continuing to rise following the renegotiation of leases. Avantor's portfolio featured vacancy of 1.5 % at the end of the period, compared with 2.8 % at the beginning of the year for comparable properties. The group also generated management income of NOK 5.1 million during the period from the management of IFN's portfolio in Nydalen. Avantor is due to take over the management of a further four properties for IFN at the year-end, which will increase management income to around NOK 10 million in 2001.

Operating profit I

Operating profit before capital gains and renovation costs was NOK 62 million, compared with NOK 123.1 million for the same period of 1999. Despite non-recurring costs for re-profiling and a new communication platform, administration costs are stable compared with 1999.

Operating profit II

Operating profit after capital gains and renovation costs was NOK 419.6 million, compared with NOK 125 million in 1999. Capital gains of NOK 367.7 million were recorded as a result of the transaction with IFN and a further capital gain of NOK 1.9 million was generated by the sale of the leasehold plots at Hinna in Stavanger. Renovation costs in the third quarter included NOK 7.5 million to buy out one of the tenants in a building due to be demolished to make way for the construction of the underground link.

Interest

Net interest of NOK 25.1 million was payable for the period, compared with NOK 70.1 million in 1999. Cash payment was received from IFN on 19.06.2000 and Avantor's liabilities in respect of the portfolio sold were settled on the same date. The properties were transferred with effect from 21.03.2000 for accounting purposes and so the accounts include interest of NOK 38 million on the consideration due from IFN for the period from 22.03.-19.06.2000. Net interest of NOK 2 million was receivable for the third quarter in isolation.

The profit and loss account for the first nine months of this year includes the entire property portfolio until 21.03.2000 and thereafter only those properties remaining with Avantor. The nine-month and full-year figures for 1999 have not been restated since the deal has been treated as a transaction for accounting purposes.

Financing and cash position

Shareholders' equity

Avantor had assets of NOK 1 444.2 million at the end of the period, compared with NOK 2 973.7 million at the end of 1999. Shareholders' equity totalled NOK 516.2 million at the end of the period and so the equity/assets ratio was 35.7 %, compared with 19.1 % at the end of 1999. Shareholders' equity has been written down through the cancellation of the company's holdings of its own shares in line with the resolution passed by the extraordinary general meeting on 25.08.2000. The deadline for creditor objections expires on 25.11.2000 and the reduction in the company's share capital will be formally registered with the Norwegian Register of Business Enterprises on that date.

The company paid an extraordinary dividend of NOK 10 per share on 28.08.2000 as resolved by the general meeting.

Interest-bearing liabilities

Interest-bearing liabilities totalled NOK 486.6 million at the end of the period, compared with NOK 2 182.7 million at the end of 1999. The reduction is due to the hiving off of liabilities and the settlement of liabilities in connection with the payment from IFN. The company's loans now feature an average fixed interest term of 5.1 years and all those due to have their interest rates renegotiated this year have been hedged through interest swap contracts entered into previously. The average rate of interest payable on the group's loans was 5.7 % at the end of the period.

Cash position

The company's liquid assets, comprising bank deposits and investments in short-term securities, totalled NOK 420.4 million at the end of the period.

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Occupancy (%)	98.5	98.8	97.2

The reorganisation to reflect Avantor's revised vision and strategy is complete. The group's operations are now structured into two divisions - Property management and Development.

NYDALEN

Property management

Demand for premises in Nydalen remains buoyant. Existing tenants are constantly needing more space and there is still a steady stream of prospective tenants interested in premises here. With vacancy at just 1 %, Nydalen is by definition fully let in the short term. The group renegotiated or entered into leases for a total of 67 500 m² during the first nine months, including 10 100 m² in new buildings.

Development

The development plan for Nydalen Syd has been approved by Oslo City Council and so work may now begin on all of the office accommodation planned by Avantor for the next five-year period. The development plan for the Solsiden residential area, involving the construction of around 410 homes, is currently being considered.

Given the brisk demand and low vacancy in the district, Avantor has decided to begin work on Gjerdrums vei 4. It has also been decided to begin building a multi-storey carpark at Gjerdrums vei 16 to improve the parking situation.

Gullhaug Torg 4 is in the final stages of completion and the river has been reopened in front of the building. The first phase will be handed over to EDB Fundator in December 2000 and the second phase to EDB 4tel in February 2001. Maridalsveien 323 for UPC Norge and Sandakerveien 130 for Tele1 Europe are progressing well and are expected to be ready for the tenants to move in next summer as planned.

Construction of the Torgbygget complex has now begun in conjunction with the Oslo Road & Transport Authority. There is considerable interest in office accommodation in the complex,

which will also house the underground station, hotel and conference facilities, shops, restaurants and other services.

Infrastructure

The road crossing the southern part of Nydalen (Kristoffer Aamodts gate) and the new exit onto Nydalsveien will be completed in January 2001. Work on the new underground link has begun in Nydalen and the second phase from Akerselva to Sandakerveien will start up during November. Trains will begin running from Ullevål to Storo in 2003 and the rest of the link is due to be completed in 2006.

Work on the cable routings for the new broadband network in Nydalen is complete and so the largest suppliers of broadband connections will now be able to offer their services to all prospective customers in Nydalen.

Oslo, 7 November 2000

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