

THE AVANTOR GROUP – 1ST QUARTER REPORT 2001

NYDALEN

Property Management

The activities and demand for premises in Nydalen are still high. Vacancy is less than 1% and during the first quarter of 2001 renegotiations and new tenancy agreements for 14.800m² was agreed.

In March Regus Business Centre signed a tenancy agreement for 4.300m² of office premises in Torgbygget. This means that the hotel section and most of the office premises in this building, which is being built directly above the underground station, are let out. Negotiations regarding the letting of the remaining premises are currently taking place. These premises will be let to various service functions such as a grocery store, a medical centre, health spa, coffee bar etc. The interest for these premises is high.

Development

Gullhaug Torg 4, which is 21.000 m², is completed and the last tenants moved in in April. Further, Avantor currently has approx. 46.000 m² of premises under construction. All projects are progressing according to plan and budget. The overall market is currently slightly hesitant, however this relates more to the IT and media industry. The pace of the development is expected to remain high as the company is working directly with potential clients in the field of education and services. Avantor is one of three companies competing for the contract of the collective location for BI.

Infrastructure

In February Kristoffer Aamodts gt. was opened for through traffic between Maridalsveien and Storo. Nydalsveien is reopened as a southbound exit. In May Gjerdrumsvei will be opened for through traffic and as a westbound exit towards Maridalsveien. All this will improve traffic in Nydalen. At the same time however, the construction of the underground station as well as other construction projects will cause Avantor several traffic related challenges.

AVANTOR ASA

Progression of results

In 2000 Avantor carried out a sale/demerger of properties in Nydalen to Industrifinans Næringseiendom ASA (IFN), which was entered into the accounts effective as per 21st March 2000. This has to be taken into consideration when comparing the result to previous years.

Operating Revenue

Total rental income for the 1st quarter was NOK 25 mill (64). Renegotiations of tenancy agreements have lifted the rental level in Avantor's portfolio to NOK 103 mill (102 as per 01.01.2001). Vacancy in Avantor's portfolio at the end of the 1st quarter 2001 was 1,7% compared with 2% at the turn of the year. 1st quarter income from management of properties in 2001 was NOK 5 mill.

Operating profit I

Operating profit I was NOK 15 mill (39). Reduced operating costs reflect the sale of properties to IFN. The administration cost for the 1st quarter 2001 was NOK 8 mill (6).

Operating profit II

The result after allowing for refurbishment costs was NOK 14 mill (400). No properties have been sold in 2001.

Financial Items

The net financial items were NOK 4 mill (32). At the end of the 1st quarter Avantor's average mortgage rate was 6,1%, and this is due to underlying interest swap agreements securing 90% of the Group's mortgage portfolio.

Pre tax profit

Pre tax profit was NOK 11 mill (368). The result for the year 2000 is a result of the transaction with IFN.

Funding and liquidity

Ownership interest

At the end of the 1st quarter 2001 Avantor's total balance was NOK 1 278 mill (1 352 as per 31.12.2000). Book equity was NOK 595 mill (586) resulting in a book equity ratio of 46,6% (43,3%).

At the company's General Meeting on April 20th 2001 it was agreed to write down the company's 649 800 own shares against ownership interest. Concurrently a bonus issue was agreed in order to increase the shares' nominal value from NOK 0,918 to NOK 1. The company's share capital now consists of 19 426 608 shares each with a nominal value of NOK 1. At the General Meeting the board was authorised to redeem a further 10% of the company's shares. The authorisation is valid for 12 months.

Interest bearing debt

The company's total interest bearing debt as per 31.03.2001 was NOK 470 mill (482). Repayments worth NOK 12 mill have been paid during the 1st quarter. No other loans/mortgages have been undertaken.

Liquidity

The company's liquid assets, consisting of bank deposits and securities were, as per 31.03.2001, NOK 131 mill (242). All ongoing constructions are currently self-financed, however construction loans will eventually finance all construction projects.

Oslo, May 9th 2001

Jan Petter Storetvedt
(Chairman)

Kjell Inge Røkke

Carl Erik Krefting

Ragnar Halle

Eivind Astrup

Christian Joys
(CEO)

| Resultatregnskap (MNOK) | 1.1.- 31.03. 2001 | 1.1.- 31.03. 2000 | 31.12. 2000 | Profit and loss account (MNOK) |
|------------------------------------|-------------------------|-------------------------|----------------|---|
| Leieinntekter | 24,7 | 64,2 | 135,5 | Rental income |
| Forvaltningsinntekter | 4,8 | 0,0 | 7,9 | Property management income |
| <i>Sum driftsinntekter</i> | <i>29,5</i> | <i>64,2</i> | <i>143,4</i> | <i>Total operating income</i> |
| Driftsutgifter eiendommer | -2,0 | -3,8 | -16,1 | Property operating costs |
| Administrasjonskostnader | -8,3 | -6,0 | -24,6 | Administration costs |
| <i>Sum driftskostnader</i> | <i>-10,3</i> | <i>-9,8</i> | <i>-40,7</i> | <i>Total operating costs</i> |
| Ordinære avskrivninger | -4,4 | -15,3 | -26,4 | Ordinary depreciation |
| <i>Driftsresultat I</i> | <i>14,8</i> | <i>39,1</i> | <i>76,3</i> | <i>Operating profit I</i> |
| Salgsgevinster | 0,0 | 369,6 | 349,1 | Capital gains |
| Rehabiliteringskostnader | -0,3 | -8,6 | -15,0 | Refurbishment costs |
| <i>Driftsresultat II</i> | <i>14,5</i> | <i>400,1</i> | <i>410,4</i> | <i>Operating profit II</i> |
| Netto finansielle poster | -4,0 | -32,3 | -10,6 | Net financial costs |
| <i>Resultat før skattekostnad</i> | <i>10,5</i> | <i>367,8</i> | <i>399,8</i> | <i>Profit before tax</i> |
| Resultat før skatt pr aksje (NOK) | 0,5 | 18,3 | 19,9 | Profit before tax per share (NOK) |
| Utvannet resultat pr aksje (NOK) | 0,5 | 18,3 | 19,9 | Diluted profit per share (NOK) |

| Balanse (MNOK) | 31.03. 2001 | 31.03. 2000 | 31.12. 2000 | Balance sheet (MNOK) |
|----------------------------------|----------------|----------------|----------------|--------------------------------------|
| Eiendommer og tomter | 893,8 | 752,9 | 858,2 | Properties and land |
| Finansielle anleggsmidler | 216,9 | 211,1 | 209,1 | Financial fixed assets |
| <i>Sum anleggsmidler</i> | <i>1 110,7</i> | <i>964,0</i> | <i>1 067,3</i> | <i>Total fixed assets</i> |
| Kortsiktige fordringer | 35,8 | 1 271,3 | 42,7 | Current receivables |
| Bankinnskudd m.m. | 131,3 | 133,6 | 241,8 | Cash and cash equivalents |
| <i>Sum omløpsmidler</i> | <i>167,1</i> | <i>1 405,0</i> | <i>284,5</i> | <i>Total current assets</i> |
| <i>Sum eiendeler</i> | <i>1 277,8</i> | <i>2 369,0</i> | <i>1 351,8</i> | <i>Total assets</i> |
| Egenkapital | 623,9 | 814,2 | 614,8 | Gross equity |
| Egne aksjer | -29,3 | -101,6 | -29,3 | Own shares |
| <i>Sum egenkapital</i> | <i>594,6</i> | <i>712,6</i> | <i>585,5</i> | <i>Net equity</i> |
| Utsatt skatt | 134,6 | 121,3 | 134,6 | Deferred taxes |
| Langs. rentebærende gjeld | 469,5 | 898,3 | 482,1 | Long-term interest bearing debt, |
| <i>Sum langsiktig gjeld</i> | <i>604,1</i> | <i>1 019,6</i> | <i>616,7</i> | <i>Total long-term debt</i> |
| <i>Kortsiktig rentefri gjeld</i> | <i>79,1</i> | <i>636,8</i> | <i>149,6</i> | <i>Short term interest free debt</i> |
| <i>Sum gjeld og egenkapital</i> | <i>1 277,8</i> | <i>2 369,0</i> | <i>1 351,8</i> | <i>Total equity and liabilities</i> |

| Kontantstrømoppstilling (MNOK) | 31.03. 2001 | 31.03. 2000 | 31.12. 2000 | Statement of cash flows (MNOK) |
|---|----------------|----------------|----------------|---|
| Fra operasjonelle aktiviteter | -48,7 | -713,3 | 90,0 | From operations |
| Fra investeringsaktiviteter | -43,4 | 1 797,2 | 596,7 | From investments |
| Fra finansielle aktiviteter | -18,4 | -1 143,5 | -638,1 | From financing |
| <i>Netto endring bank m.m.</i> | <i>-110,5</i> | <i>-59,6</i> | <i>48,6</i> | <i>Net change in cash and cash eq.</i> |
| Bankinnskudd m.m. 01.01. | 241,8 | 193,2 | 193,2 | Cash and cash eq. 01.01. |
| <i>Bankinnskudd m.m. 31.03.</i> | <i>131,3</i> | <i>133,6</i> | <i>241,8</i> | <i>Cash and cash eq. 31.03.</i> |