

THE AVANTOR GROUP – 3rd QUARTER REPORT 2001

Pre tax profit for the 3rd quarter was NOK 39 mill. The letting ratio of the company's property portfolio was 98,2%.

Nydalen is now the only likely alternative for a collective location of BI in the Oslo region. Negotiations are ongoing and a decision is expected by the end of the 4th quarter.

The final settlement from last year's sale of properties to Industrifinans Næringseiendom ASA (IFN) took place during the 3rd quarter. The settlement had no major influence on the accounts.

During the 3rd quarter the company has completed the construction of Sandakerveien 130 and started the expansion of Gjerdrumsvei 19. With that approx. 45.000m² are under development. A new computer hall in Maridalsveien 321 has been exchanged with IFN in return for Gjerdrumsvei 4.

Global Fish AS has declared its option to buy out their financial lease with Avantor on the properties in Florø and Hjørungavåg. In accordance with the agreement Avantor will receive approx. NOK 112 million plus interest and costs as per 31.12.2001.

So far this year re-negotiations and new tenancy agreements amounting to approx. 7 600 m², with a rental value of NOK 4,9 million, have been agreed. In addition, contracts for 10 700 m² of new premises, valued at NOK 19,9 million, have been signed.

PROPERTY MANAGEMENT

Through its subsidiary Avantor Drift the company manages approx. 530.000 m² of primarily office premises with a rental value of NOK 467 mill. From this total approx 475.000 m² are to be found in attractive locations such as Nydalen, Lysaker, Oslo city centre and Økern. All locations have good transport and communication facilities and are depicted as good locations for future minded, labour intensive and proficient companies. These properties are owned by Industrifinans Næringseiendom (300.000 m²) and Avantor ASA.

In addition the company manages 30.000 m² of industrial premises and 25.000 m² of office premises in Molde.

Nydalen

Renegotiations and tenancy agreements for 32.400 m², with a rental value of NOK 42,2 mill, have been agreed for premises managed on behalf of Avantor ASA and IFN. Vacancy in Nydalen is still low, 3,6% at the end of the 3rd quarter.

DEVELOPMENT

The company has completed the construction of Sandakerveien 130 for Song Networks. The building is 6.500 m² with an annual rental value of NOK 13,5 mill.

The second phase of Gjerdrumsvei 4 is being constructed in accordance with the contract with Unit4 (previously Agresso) and is expected finished by May 2002.

Torgbygget, which is being built directly above the forthcoming underground station, is taking shape. The hotel premises and the majority of the office premises have already been let. Negotiations for the other services premises such as a grocery store, coffee bar, florist etc are ongoing. The interest for these premises is high.

The construction of Gjerdrumsvei 19, a multi purpose building of approx. 9.000 m², was initiated in the 3rd quarter and is expected completed during the 1st quarter 2003.

BI

The company has sent a proposal to BI for 50.000 m² of new premises in Nydalen, with regards BI's plans for a collective location of their entities in the Oslo region. The Board of Directors at BI has decided that Nydalen is the only suitable alternative, and a decision is expected towards the end of the 4th quarter.

Infrastructure

The construction of the underground is developing as planned and Nydalen station has now been moulded in concrete. The approach from the west is expected completed during the 4th quarter and in the meantime the intersection under Sandakerveien is being planned. With this the sections of the development causing most disruption to the customers will have been completed.

AVANTOR ASA

Progression of results

Operating revenue

The total rental income for the period 01.01 to 30.09.2001 was NOK 76 mill compared with NOK 111 for the same period last year. Last year Avantor carried out a major demerger/sale of its properties in Nydalen, which was entered into the accounts effective as per 21.03.2000. This has to be taken into consideration when comparing last year's figures to this year's. The quarterly figures are comparative as from the 2nd quarter. The rental income for the 3rd quarter amounted to NOK 27 million (21). The increase is mainly due to the income from Sandakerveien 130 and Gjerdrumsvei 4. At the end of the 3rd quarter the vacancy in Avantor's portfolio was 1,8% compared with 1,4% in the previous quarter and 2% at the turn of the year. Revenue from property management for the first 3 quarters amounted to NOK 13 mill (5).

Operating profit I

Operating profit I for the first 3 quarters was NOK 47 mill (62). The higher administration costs are due to increased focus on IT equipment such as new presentation tools and a new

website (www.avantor.no). In addition there has also been an increase in labour costs due to the increase in properties managed.

Operating profit II

At the end of the 3rd quarter operating profit II was NOK 51 mill (420). A computer hall in Maridalsveien 321 has been sold to IFN and Gjerdrumsvei 4 has been bought back.

Financial items

Net financial expenses for the period 01.01 to 30.09.2001 was NOK 12 mill (25). At the end of the 3rd quarter the average interest rate was 6,6 % (5,7%).

Pre tax profit

Pre tax profit for the period 01.01 to 30.09.2001 amounted to NOK 39 mill (395). The substantial result in 2000 was due to the transaction with IFN.

Funding and liquidity

Ownership interest

At the end of the 3rd quarter 2001 Avantor's total balance was NOK 1 403 mill (1 352 as per 31.12.2000). Book equity was NOK 623 mill (586) resulting in a book equity ratio of 44,4% (43,3%). The book equity ratio has been reduced from 47% (end of 2nd quarter) as a result of the increased balance caused by projects under development.

During the 2nd quarter it was decided to write down the company's 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. This has been entered into the accounts during the 2nd quarter but was not registered in the Company register until the 3rd quarter. The company's share capital now consists of 19 426 608 shares each with a nominal value of NOK 1.

Interest bearing debt

The company's total interest bearing debt as per 30.09.2001 was NOK 562 mill (482). Of this NOK 100 mill is a short-term securities loan. So far this year all construction projects have been self-financed or financed through securities loans. Repayments worth NOK 2,9 mill have been paid during the 3rd quarter.

Liquidity

The company's liquid assets, consisting of bank deposits, as per 30.09.2001 were NOK 98 mill (242). The company is in the process of renegotiating their terms and conditions on their loans, which will result in an overdraft facility of NOK 200 mill.

3. kv. 2000	3. kv. 2001	Resultatregnskap (NOK millioner)	01.01. -30.09. 2001	01.01. -30.09. 2000	01.01. -31.12. 2000	Profit and loss account (NOK millions)
21	27	Leieinntekter	76	111	136	Rental income
2	4	Forvaltningsinntekter	13	5	8	Property management income
24	31	<i>Sum driftsinntekter</i>	89	116	143	<i>Total operating income</i>
-5	-2	Driftsutgifter eiendommer	-6	-11	-16	Property operating costs
-4	-7	Administrasjonskostnader	-23	-16	-25	Administration costs
-10	-8	<i>Sum driftskostnader</i>	-29	-27	-41	<i>Total operating costs</i>
-5	-4	Ordinære avskrivninger	-13	-27	-26	Ordinary depreciation
8	19	<i>Driftsresultat I</i>	47	62	76	<i>Operating profit I</i>
0	0	Salgsgev./andre inntekter	5	370	349	Capital gains
-2	0	Rehabiliteringskostnader	-1	-12	-15	Refurbishment costs
7	18	<i>Driftsresultat II</i>	51	420	410	<i>Operating profit II</i>
2	-4	Netto finansielle poster	-12	-25	-11	Net financial costs
9	14	<i>Res. før skattekostnad</i>	39	395	400	<i>Profit before tax</i>

Resultat før skatt pr aksje (NOK)	2,0	21,4	19,9	Profit before tax per share (NOK)
Utvannet resultat pr aksje (NOK)	2,0	21,4	19,9	Diluted profit per share (NOK)

Balanse (NOK millioner)	30.09. 2001	30.09. 2000	31.12. 2000	Balance sheet (NOK millions)
Eiendommer og tomter	971	775	858	Properties and land
Finansielle anleggsmidler	214	210	209	Financial fixed assets
<i>Sum anleggsmidler</i>	<i>1 184</i>	<i>985</i>	<i>1 067</i>	<i>Total fixed assets</i>
Kortsiktige fordringer	120	38	43	Current receivables
Bankinnskudd m.m.	98	420	242	Cash and cash equivalents
<i>Sum omløpsmidler</i>	<i>218</i>	<i>459</i>	<i>285</i>	<i>Total current assets</i>
<i>Sum eiendeler</i>	<i>1 403</i>	<i>1 444</i>	<i>1 352</i>	<i>Total assets</i>
Egenkapital	623	516	615	Gross equity
Egne aksjer	0	0	-29	Own shares
<i>Sum egenkapital</i>	<i>623</i>	<i>516</i>	<i>586</i>	<i>Net equity</i>
Utsatt skatt	135	121	135	Deferred taxes
Langs. rentebærende gjeld	462	487	482	Long-term interest bearing debt,
<i>Sum langsiktig gjeld</i>	<i>597</i>	<i>608</i>	<i>617</i>	<i>Total long-term debt</i>
Kortsiktig rentefri gjeld	84	320	150	Short term interest free debt
Korts. rentebærende gjeld	100	-	-	Short term interest bearing debt
<i>Sum kortsiktig gjeld</i>	<i>184</i>	<i>320</i>	<i>150</i>	<i>Total short term debt</i>
<i>Sum gjeld og egenkapital</i>	<i>1 403</i>	<i>1 444</i>	<i>1 352</i>	<i>Total equity and liabilities</i>

Kontantstrømoppstilling (NOK millioner)	01.01. -30.09. 2001	01.01. -30.09. 2001	01.01. -31.12. 2000	Statement of Cash Flows (NOK millions)
Fra operasjonelle aktiviteter	7	435	90	From operations
Fra investeringsaktiviteter	-131	1 749	597	From investments
Fra finansielle aktiviteter	-20	-1 957	-638	From financing
<i>Netto endring bank m.m.</i>	<i>-144</i>	<i>227</i>	<i>49</i>	<i>Net change in cash and cash eq.</i>
Bankinnskudd m.m. 01.01.	242	193	193	Cash and cash eq. 01.01.
<i>Bankinnskudd m.m.</i>	<i>98</i>	<i>420</i>	<i>242</i>	<i>Cash and cash eq.</i>

Business areas

The result is divided between the business areas Property Management and Other (which includes the Proprietor, Development and managerial posts) in the following manner:

Resultatposter pr 3. kvartal <i>(NOK millioner)</i>	Forvaltning/ Property Management	Øvrige/ Other	Konsern/ Group*	Profit and Loss Items per 3rd Quarter <i>(NOK millions)</i>
Leieinntekter		78	76	Rental income
Eksterne forvaltningsinntekter	13		13	Property man. income, external
Interne forvaltningsinntekter	4			Property man. income, internal
<i>Sum inntekter</i>	<i>17</i>	<i>78</i>	<i>89</i>	<i>Total income</i>
Drifts- og forvaltn. utg. eiendom		-10	-6	Property operating costs
Administrasjonskostnader	-18	-7	-23	Administration costs
<i>Sum driftskostnader</i>	<i>-18</i>	<i>-17</i>	<i>-29</i>	<i>Total operating costs</i>
Avskrivninger		-13	-13	Ordinary depreciation
<i>Driftsresultat I</i>	<i>-1</i>	<i>48</i>	<i>47</i>	<i>Operating profit I</i>

* Etter reklassifisering/elimineringer. Net of reclassification/eliminations

The objective is for the Proprietor to have competitive costs compared to similar companies and that the Property Management section, isolated, yields a competitive return.

THE MARKET

Demand has shown a declining trend during the 3rd quarter especially for IT companies, which have been affected by the economic decline impacting on its industry. However, this has partly been compensated by the fact that the public sector as well as educational institutions view Nydalen as an attractive alternative, not least due to the improved transport and communication services the new underground can offer from 2003.

Oslo, November 7th 2001

Jan Petter Storetvedt
(Chairman)

Kjell Inge Røkke

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