

Worldwide Opportunities



Det Norske Veritas is a leading provider of safety, quality and environmental management services for maritime, offshore and landbased industry worldwide

CONTENTS

President's Introduction	3
DNV in Brief	4
Services	6
Business Areas	7
Board of Directors' Report	8
Maritime Industry	14
Process Industry	20
General Industry	26
DNV's Organisation	32
Accounts	34
Notes to the Financial Statements	39
Auditor's Report	45
Council, Board and Committees	46
Certification Advisory Boards	49
Officers of Det Norske Veritas	50
Divisional and Regional Offices	51

Worldwide Opportunities

Safety DNV aims to be the leading independent provider of safety, quality and environmental management services for shipping and industry.

Quality Our services will be recognised for their value, the confidence placed in them, and the business advantage they confer.

The Environment The name of DNV is to represent an image of quality, safety and concern for the environment.

New ways

Continuous improvement is vital for a company's success. One genuine potential for improvement lies in effective use of Information Technology. DNV will spend 40 million US dollars on IT infrastructure and tools in 1997, more than twice that invested in a normal year. Why? In order to serve our customers better.

Our primary aims through such investment are to give more relevant and cost-effective advice and support, quicker response, and better products and services.

However, it is important to remember that technology is a tool for improvement, not an aim in itself. Its limitations do not lie with technology: it is our ability to see the potential which is the limiting factor. Successfully implemented technology will enable us to serve our customers worldwide better and more consistently. Distance in time and space shrinks dramatically, and experience gained in an individual DNV unit immediately becomes available to the entire organisation.

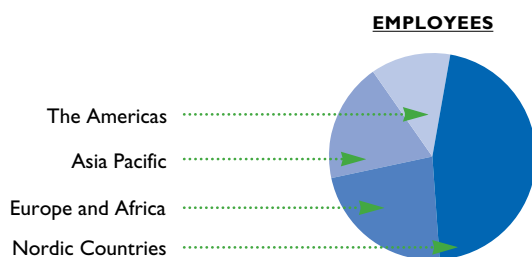
To fully exploit the benefits of our investment we have to radically change our way of working. DNV is well advanced in such a transformation. Already new and improved work processes are helping us serve our customers even better.

Information sharing and collaboration are keynotes: as we manage our information and experience more innovatively, they will further increase our efficiency and flexibility. In turn this will form a basis for better existing services, development of new products, and enhanced safety of life, property and the environment.



SVEN ULLRING
Chief Executive Officer
and Chairman of the
Executive Board.

Sven Ullring
Sven Ullring



The organisation

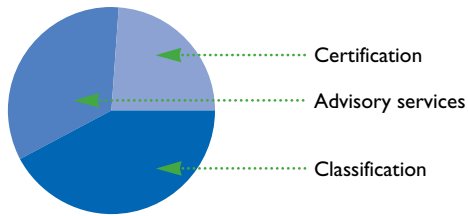
- DNV was established in 1864 and is an independent, autonomous foundation with the objective of safeguarding life, property and the environment. With 300 offices in 100 countries, DNV serves customers in the maritime and process industries worldwide, as well as other business segments such as the automobile industry, aviation and the public sector. Product development takes place in a separate division for technology and products at our headquarters in Norway.
- DNV is an international organisation, and more than 55% of its revenue arises from activities outside Norway. DNV's total income in 1996 was approximately 3.3 billion Norwegian kroner. Considerable growth was registered in maritime activity, particularly in Asia; total operating profit for 1996 was satisfactory and above the level for the previous year.
- Staff: 4,000 employees of 67 different nationalities. • Investment in research, development, training and education in 1996: 250 million NOK. • 4,343 ships totalling 75 million grt to DNV class, about 15% of the world's fleet in tonnage terms, plus 108 drilling and service rigs and floating production units. 186 ships totalling 3.1 million grt ordered to DNV class during 1996, 14.9% of the world order book. • 850 safety management certificates issued to individual ships, and 92 certificates to shipping companies. • Projects completed or under way at more than 500 processing plants around the world. • More than 9,200 ISO 9000-series certificates issued in over 40 countries. • DNV's system for safety rating (ISRS) is in use at 5,000 plants. • 44,000 samples of ships' bunker fuel analysed by DNV Petroleum Services in 1996.

Key figures

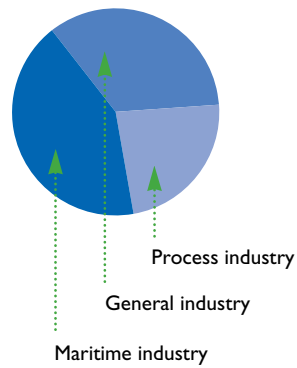
	1996	1995	1994	1993	1992
Operating Revenues*	3,321	3,071	2,935	2,935	2,647
Net Profit*	233	210	124	176	117
Equity*	1,589	1,398	1,187	1,088	1,073
Equity Ratio (%)	49.7	44.8	40.3	35.5	37.0
Return on Assets (%)	12.1	13.8	11.4	13.0	12.6
Cash Flow	345	317	236	285	222
Employees as at 31 December	4,000	3,681	3,582	3,520	3,430

* Mill. NOK

REVENUES PER SERVICE AREA



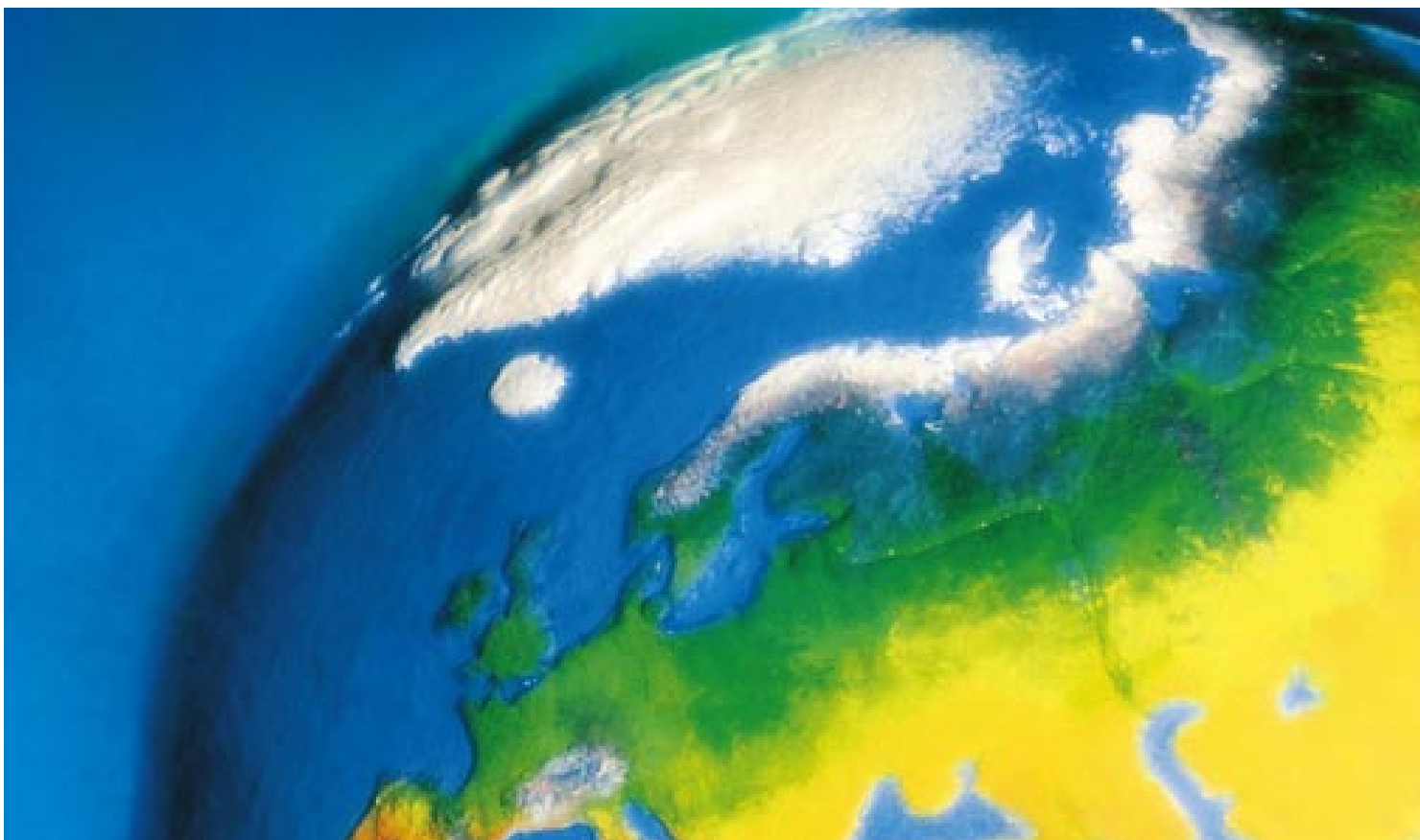
REVENUES PER BUSINESS AREA



Concern for the environment

DNV's environmental ambitions are marked by:

- Environmental awareness and commitment throughout the organisation
- Exercising proactive environmental leadership and goalsetting beyond compliance with laws, regulations and requirements
- Emphasis on research and development to improve environmental aspects of our products and services
- Environmentally friendly operation of all DNV properties, laboratories, and units on a level corresponding to ISO 14000 standards. DNV will give preference to environmentally friendly products, promote energy conservation, minimise waste generation and strive for the reduction of pollution
- Periodic assessment of our environmental performance, goals and policies as part of continuous improvement
- Fostering of an open dialogue on environmental issues with employees, authorities and the general public





Classification

- DNV Classification Rules including IMO Regulations
 - Ships of all types
 - High Speed Light Craft (HSLC)
 - Mobile and fixed offshore units
 - Submarine pipelines
- Classification/Certification of materials, equipment and marine systems
- Safety Management Certification covering the International Safety Management (ISM) Code

Certification

- Certification of offshore installations
- Accredited Quality System Certification to ISO 9000, QS 9000 and other standards
- Accredited Environmental Management System Certification to ISO 14001, EMAS, BS 7750
- Accredited Contractor Safety Certification
- Product Certification; Accredited Certification; Notified Body in the regulated sector; Certification of materials and components for ships and offshore industry
- Personnel Certification

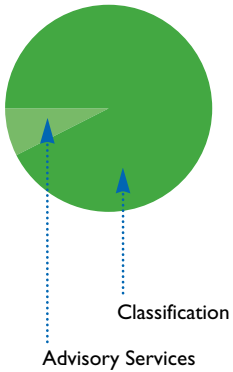


Advisory Services

- Life cycle services
- Technology developer and partner
- Environmental, safety and reliability analysis
- Cost optimisation
- Verification, inspection and testing
- Emergency response services
- Loss control management
- Performance measurement
- Training and competence building
- Facilitation of improvement processes



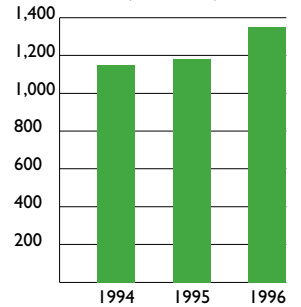
SERVICES



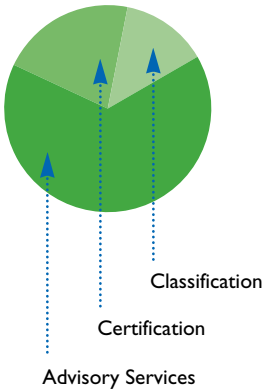
Maritime Industry

- Classification and certification of ships and offshore units
- Certification of management systems for safety, quality and the environment
- Certification of maritime education, training centres and crewing agents
- Supportive facilitation and advisory services
- Authorised for surveys and certification by more than 130 national administrations

REVENUE
(mill. NOK)



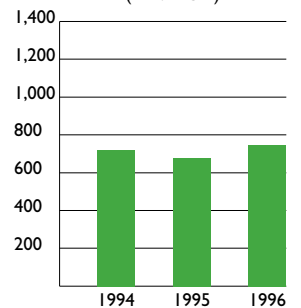
SERVICES



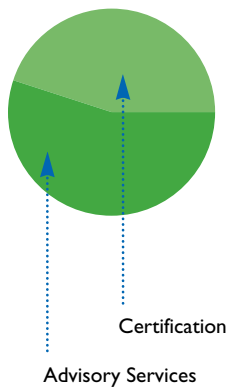
Process Industry

- Upstream and Downstream
- Certification of quality systems, materials, products and personnel
- Rating services (measurement of achievement) of management systems for quality, safety and the environment
- Risk analysis and quality assurance
- Technical advisory services

REVENUE
(mill. NOK)



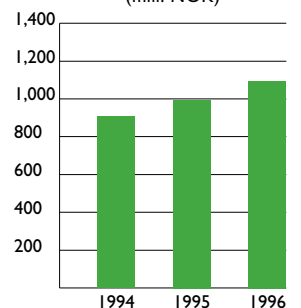
SERVICES



General Industry

- Certification of quality and environmental management systems
- Verification according to the European Eco Management and Audit Scheme (EMAS)
- Certification of products
- Authorisation as Notified Body in Europe (EC/EEA)
- Rating, training and facilitation for safety, quality and environmental management systems
- Risk analysis
- Laboratory testing

REVENUE
(mill. NOK)



Moving into new global markets

DET NORSKE VERITAS *has spent another active year in ensuring the safety of life and property.*

We note with satisfaction that awareness of safety, quality and the environment are ever-increasing.

This is fortunate for the integral approach to these questions which forms the foundation for DNV's service development and strategy. Our main services are classification, certification and advisory services in these areas of safety, quality and the environment.

Det Norske Veritas entered 1996 with a new organisational structure designed to facilitate the use of resources across former organisational boundaries. Responsibility for the sale and production of DNV's services lies with the regions, making them DNV's highest operative entity. We operate in three areas of business – the maritime and process industries, and other defined market areas.

Improved efficiency is also the prime motivation for other central investments in DNV, one being the implementation of a new, worldwide IT network which in the first quarter of 1997 will more effectively link DNV's 300 offices. Advanced information technology is the core of Nauticus, which is DNV's new production system for class activities. These two major investments are expected to yield a significant increase in productivity.

AGEING WORLD FLEET

The quality challenges for an ageing world fleet received more attention this past year through increased inspection activities in many of the world's leading port states. DNV considers port state control to be a vital supplement to the current monitoring of the world fleet which has been delegated to the class societies by the flag states.

A survey of port state controls shows that ships classed by DNV have a lower frequency of detentions than those of other class societies, i.e. instances where the port state finds so many faults with a ship that it is detained in port until they have been corrected. For ship-owners, this lower rate of detention means avoiding the expense of having a ship held up. In addition, these owners' vessels are subject to fewer inspections, as port authorities use the statistics to plan their inspection programmes.

1996 was a busy year in DNV's work towards enhanced safety. Dialogue with the insurance world has been better than ever. The number of shipping accidents worldwide is declining; though this tendency does not mean that safety efforts should be reduced, as any one incident is in itself unacceptable. At the close of the year, 14.5 percent of total world tonnage was classed by DNV. This represents 75 million grt, an increase from 71 million grt during the year.

SAFETY MANAGEMENT

A total of 850 safety management certificates in accordance with IMO's requirements have thus far been issued by DNV. This makes up a large share of all ISM certificates issued, and gives DNV a leading position in this certification work. Certification requirements according to the ISM (International Safety Management) code have been made mandatory for more than half of the world fleet from 1 July 1998. Det Norske Veritas places great importance on ISM work, and considers it paramount that no delays occur in implementation of the ISM code. Up to now, less than 5 percent of vessels included in this mandate have actually been certified. Without a major escalation of this certification work, we will be facing a situation where large parts of the world fleet do not comply with IMO's requirements.

Certification of management systems is a vital tool in enhancing quality in the shipping industry. Many of DNV's clients report great financial savings as a result of Safety Management Certification. These cost savings are partly attributed to reduced absence of staff and crew due to sickness, less damage to cargo, fewer black marks in port state control and lower insurance premiums.

TOTAL SAFETY CLASS

DNV has been delegated authority in flag state control by 120 national maritime administrations. No class society performs more flag state controls on behalf of a greater number of nations than DNV. This is an important element in our Total Safety Class, where international conventions are included as part of DNV's rules. Recognition of the fact that most accidents are due to human or operational failure is the background for our integral approach to safety. A one-sided focus on the technical aspects of safety is too narrow a scope. DNV is the first class society to produce standards designed for institutions working to raise the qualifications of seamen. At the end of 1996, DNV had certified 12 recruiting agencies, two training simulators, three training centres and two maritime colleges.

The first part of our new production support system Nauticus was tested in cooperation



WILHELM WILHELMSEN
Chairman of the Board,
Member of the Board 1982;
Chairman of the Board 1994.
Chairman of the Board
of Wilh. Wilhelmsen Ltd. AS,
Saga Petroleum and Wilhelm-
sen's subsidiaries;
Member of the Board
of Sponsor Service AS;
CEO Skips AS Tudor.

*Emphasis on efficiency and safety opens up
new possibilities for the classification concept
in the offshore industry.*

with several of the world's leading shipyards in the autumn of 1996. The project, which involves an investment of more than 100 million NOK over a period of years, will modernise and rationalise the entire production system in classification activities. Nauticus covers both hull and engine, and will be a tool for closer monitoring of a vessel throughout its service life. For our clients, this means a quicker and better-planned approval process. At the same time, information on DNV-classed ships will become more accessible throughout their entire lifetime.

Testing of bunker oil by DNV Petroleum Services (DNVPS) still shows encouraging results. In 1996, DNV performed bunker oil test number 300,000, exceeding also the number of tests carried out the year before. In addition, DNVPS acquired its fifth special laboratory for testing of bunker oil, opening a new laboratory in Fujairah.

REDUCED COSTS OFFSHORE

In the offshore industry, the work of producing more cost-effective systems has continued undiminished, especially in the North Sea. DNV plays an active role in connection with the NORSOK initiative on the Norwegian Continental Shelf and the CRINE initiative on the British Shelf. Both are aimed at achieving major cost reductions in the exploitation of oil and gas.

Emphasis on efficiency and safety has opened up new possibilities for the class concept in the offshore industry. DNV's class services have been instrumental in the transition from specialised systems for each newbuilding to more standardised solutions. This has provided

DNV with a firm footing in connection with the building of floating production vessels.

A high, stable oil price has led to increased exploration, and consequently a great increase in the contracting of exploration units. Our forecast had been that six floating drilling/production/storage ships would enter into class contracts in the course of 1996. At the end of the year, the actual number of ships contracted to DNV class was 12, giving us a market share of 65%.

The present challenge for DNV is to take on a more active role in newbuilding projects. The industry seems to want closer cooperation with the class society during the construction phase in order to reduce production time, which is a critical factor in expensive offshore projects.

DNV has been commissioned by the American Petroleum Institute to develop a risk-based inspection technology for the process industry. In 1996, we made an international agreement with Dow Chemicals to provide inspection services based on risk assessment at some 50 plants. The aim of this technology is to increase efficiency and concentrate inspection on those parts of the production process which represent the greatest risks. A considerable increase in demand for this technology is expected in the process industry.

DNV has entered into frame agreements with Statoil where we are to provide analyses and advisory services in safety, reliability and consistency, in addition to advisory services in pipeline technology. This is of special importance, as Statoil is one of the world's leading operators of subsea pipelines.

QUALITY SYSTEMS

Accredited certification of quality systems according to ISO 9000 standards has shown a positive trend in 1996, with activities in Italy showing the fastest development. We have also seen a substantial rise in the demand for certification to QS9000, which is an adaptation of ISO requirements to the needs of the three major automobile producers Chrysler, Ford and General Motors.

There is also a growing demand for the certification of environmental management systems, especially since the ISO 14001 standard came into formal effect in the autumn of 1996. The Korean airline Korean Air is now certified according to ISO 14001, one of the first such airline companies in the world. DNV was selected to perform this certification. DNV achieved the same position with regard to the environmental certification of Korean shipping company Hyundai Merchant Marine.

The progress of environmental certification, including verification in accordance with the EU's Eco Management and Audit Scheme (EMAS), has so far been slower than expected a year ago.

The certification of products which are to satisfy one or more EU directives has shown a growing tendency in the past year. DNV has been appointed Notified Body for most of the directives of consequence to our clients.

DNV's advisory services related to management systems have shown stable progress in 1996. In addition to training and support in improvement processes, we see a growing number of clients wanting our rating systems (ISRS, IERS, IQRS) adapted to their special needs. It is evident that such clients seek several management systems in one, and therefore need, for example, an integrated rating system for safety and the environment.



HÅKON LØCHEN
Vice Chairman,
Member of the Board 1986;
Vice Chairman 1990.
Supreme Court Attorney;
Chairman of the Board Owens-
Corning Fiberglass Norway AS;
Chairman of the Board Coca
Cola Norge AS; Chairman of
the Board Norsk Alcoa AS.



JOHAN FR. ODFJELL
Member of the Board 1983.
Member of the Board
Westfal-Larsen; Chairman
Corporate Assembly ASA;
Chairman of the Board
Hafslund Nycomed.



MORTEN SIG. BERGESEEN
Member of the Board 1989.
CEO and Member of the
Board Bergeesen dy AS.



TORVILD AAKVAAG
Member of the Board 1992.
Chairman of the Board
Norsk Hydro.



JOHN G. BERNANDER
Member of the Board 1996.
CEO Assuranceforeningen
Gard. Member of the Board
Jiffy International A/S 1992;
Member of the Board Kris-
tiansands Bryggeri 1993.



ØYSTEIN ERLAND
Elected by the employees
of Det Norske Veritas.
Principal Surveyor, Section for
Experience Transfer, Division
Technology and Products.
Joined DNV in 1975.

RESEARCH AND DEVELOPMENT

In 1996, DNV strengthened its focus on research and development. Research and technology development now constitute close to 7% of the total business. This investment serves primarily two purposes, one short and one long-term. The short-term goal is to improve the efficiency and quality of existing services by employing new technology. The long-term goal is to enhance DNV's products and services with new knowledge and new tools, such as Nauticus. In this manner, a competitive edge is gained, and the ability to satisfy market and clients strengthened.

The primary aim of the more long-term, strategic research is to renew and fortify areas in which we have our core competence/expertise. A particular challenge will be to better determine how DNV can utilise modern IT and telecommunications, such as by restructuring work processes and making organisational changes. Good results have also been achieved with new developments in product and service-oriented technology.

FINANCE

In financial terms, 1996 was a satisfactory year for Det Norske Veritas. Total revenues increased 7% to NOK 3,321 million. Particularly noteworthy was the growth in Asia. Among the company's services, certification revenues showed the strongest growth. DNV continued to invest considerable amounts in research and development as well as information technology. This consequently affected our cost structure and profitability in 1996, and the operating profit of NOK 313 million shows a marginal drop from 1995. Our operating margin was 9.4% in 1996, also somewhat lower than in 1995.

During the past 10 years, DNV has paid back over NOK 1,000 million of loans, and continued this trend in 1996. With favourable development in the financial markets, the net financial expenses were cut in half compared to 1995.

After tax expenses of NOK 68 million, DNV in 1996 showed a net profit of NOK 233 million, an 11% improvement over the previous year.

ORGANISATION

At the close of 1996, DNV had 4,000 employees, an increase of 319 during the year. The employees represent 67 different nationalities. This makes 'building bridges' and integrating competence important. The Board of Directors wishes to express its recognition of the work performed by all our staff.

The new organisational structure introduced on 1 January 1996 presented a significant

challenge to all employees. There are great expectations of a more efficient use of resources and qualifications when the new structure and working relations are fully integrated. The Board of Directors hopes that this will help to promote our work in safety, quality and the environment. DNV's own operations have little impact on the environment. We have invested in environmental initiatives which place us in a vanguard position in relation to the demands we face. Remuneration to the CEO and fees to the Board of Directors are noted in the financial statements (Note 2).

FUTURE PROSPECTS


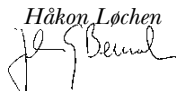
In 1997, DNV expects continued business growth. At the same time, we are investing heavily in new markets, processes and technology, which will affect our profitability even more than in 1996. Especially in the fields of information and telecommunications technology we shall incur significant one-time costs in 1997. With its strong liquidity and solid equity capital base, 50% of total assets, DNV is well equipped to meet the challenges of the year ahead.

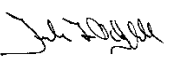
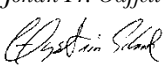
While quality certification to ISO standards has been sought after and recognised as vital to industry throughout the 1990s, environmental certification is just getting started. 1996 saw the advent of the new international environmental standard ISO 14000. Much of industry has already recognised that this standard will be a distinguishing element in the market in future, together with the EMAS scheme launched by the EU. We therefore expect an expansion in our environmental certification services.

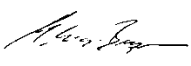
The need and demand for classification, certification and advisory services is steadily growing. Through its firm position in these fields, DNV is well able to fulfill its objective of protecting life, property and the environment.


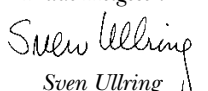
Oslo, 31 December 1996, 24 April 1997


 Wilhelm Wilhelmsen
 Chairman


 Håkon Løchen

 John G. Bernander


 Johan Fr. Odffjell

 Øystein Erland


 Morten Sig. Bergesen
 Marit Olsen Torset


 Torvild Aakvaag
 Trude Helgesen
 Trude Helgesen

 Sven Ultring
 Chief Executive Officer



MARIT OLSEN TORSET
 Elected by the employees of Det Norske Veritas. Personnel Manager, Organisational development and training, Corporate Management Staff. Joined DNV in 1981.



TRUDE HELGESEN
 Elected by the employees of Det Norske Veritas. Principal Surveyor, Section for Material Technology, Measurement and Testing, Division Nordic Countries, Joined DNV in 1988.

Integrating technology and people

SHIPPING is one of the world's largest industries.

More than 84,000 commercial vessels are at sea today, providing a key solution to the world's growing demand for safe and reliable transportation.



Ship classification depends on talented people educated in technology, business and management. An important challenge for classification today is to provide uniform and consistent enforcement of internationally agreed standards.

There are many challenges to the future success of shipping, and to providing safe, quality-conscious and profitable service. One primary challenge is to bring about a change from the current position of reluctant compliance with safety regulations, to a state of self-motivated and partly self-regulated improvement in all aspects of safety at sea. At DNV our approach to this can be summarised in three words: Total Safety Class. Here we focus on the interdependence between the ship itself, management of the operations, and the personnel and their education, skills and attitudes towards safety. DNV's Total Safety Class (TSC) is a quantum leap forward in overall safety at

sea and provides a safety concept built on value creation for all involved.

From key players in the shipping industry – owners and their organisations, hull insurance and P&I, and flag administrations and port states – we continuously receive feedback which confirms that we have selected the right course. This is further confirmed as our competitors follow us in their product and service development.

We are steadily revising and modernising our existing products to fit our TSC structure, and we are developing new high-value products and services that realise the three major elements of TSC: management – personal skill – the ship itself.

The emphasis in our TSC vision and in our product development and implementation is to add value to the shipping industry and its players, individually and collectively – and to increase overall safety at sea.

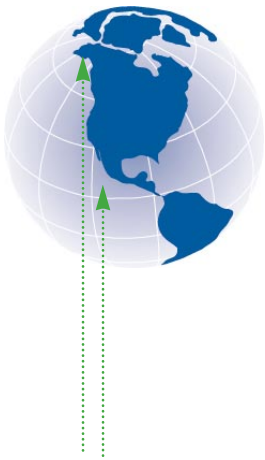
The Management element of DNV's Total



SHIP SURVEYORS AT WORK

DNV surveyors Marcelo Spotorno Silva and Per Lea, based in DNV's Miami office, Florida, inspect RCCL's *Grandeur of the Seas*, newly delivered from Kvaerner Masa Yards in November 1996.

Left: DNV surveyor Marcelo Spotorno Silva and the new cruise vessel.



**PRINCE WILLIAM SOUND,
ALASKA**
Risk assessment.

OFFSHORE MEXICO
Pipeline certification.



PHILIPPINES
Norwegian Training Center-Manila in the Philippines became the world's first training facility certified according to DNV's Rules for Maritime Training Centres.

MALAYSIA
A structural integrity assessment contract with Petronas, Malaysia is the first commercial application of the DNV SESAM PRO-FAST software for probabilistic inspection planning.

Safety concept has been served since 1990 through our Safety and Environmental Protection/Shipboard Management Class, with business advantage created for customers and their users. Now we see that unified international ISM certification procedures and auditor qualifications are in place. Following our TSC philosophy we have revised our ISM Rules to include the governing guidelines and procedures from IMO and the International Association of Classification Societies (IACS). We have also developed our International Marine Safety Rating System (IMSRS) and Loss Control Management Services to support ISM certification.

The Personal Skill element is another TSC cornerstone. We have developed qual-

ity standards for training academies and institutes, simulator centres and pilot organisations. These standards have all been met with positive interest, and several contracts

have resulted. This will lead to improved safety at sea through better-qualified personnel.

The Ship/Technology element is based on our Rules, continuously developed since DNV's foundation in 1864. The TSC con-

cept includes all statutory requirements as well as DNV's Rules. DNV is leading shipping technology: we are modernising products and tools through development of our Nauticus ship analysis programs, and by spending some seven percent of total turnover on R&D.

IMPLEMENTING SAFETY STANDARDS

The shipping industry continuously faces the challenge of implementing international safety standards. Recent examples of new standards are the International Safety Management Code (ISM Code) and the revised Standard on Training, Certification and Watchkeeping (STCW). They both focus on the 'human element', which is considered vital in our efforts to further enhance safety at sea and environmental protection. Most casualties are the end result of a chain of events involving the 'human element', including personnel and their qualifications throughout the entire organisation. Hence our concern that only trained and experienced crew with support from their management should man sea-going vessels.

The influx of new or revised technical regulations – to a great extent of prescriptive nature – may lead people to question the cost-effectiveness of the safety standards. DNV asks the industry: Are we giving safety the right priorities? What is the risk reduction in relation to cost consequences of a

We have revised our ISM Rules to include guidelines and procedures from IMO and the International Association of Classification Societies.



DNV'S REGION GREATER CHINA

56 ships totalling 2 million dwt, for 18 different owners, were on order at the turn of the year. 900 industrial companies have received ISO accredited certificates.

new regulation? Are safety goals and objectives clearly stated? Will they be met?

A SOLUTION: FORMAL SAFETY ASSESSMENT

DNV believes that the application of Formal Safety Assessment (FSA) for rule/standard calibration, presently on the agenda in both IMO and IACS, is a way to improve the formation and true implementation of a Total Safety perspective. Reasons for this include:

- FSA represents a systematic, risk-based approach to safety;
- It permits the addressing of all issues pertinent to a safety problem;
- It permits cost/benefit evaluation of alternatives;
- It can encompass all factors of importance to safety.

However, to implement and benefit from FSA is not an easy task. The challenge is to develop applications through testing and analysis of different safety matters. People in industry need to be trained and educated to use the tool. It will take time to obtain the benefits of FSA; however, if FSA is to be the tool we expect it to be, we need to have clearly defined safety goals and objectives. In DNV we have worked with FSA in safety studies for many years and started to adapt it to standard-setting purposes. One recent example is the development of a new survival capability standard for ro-ro vessels as part of the EU project 'The N. W. European Project on Safety of Ro-Ro Passenger Ships'.

In this project FSA will have a positive effect on the standard-setting process in a longer perspective – for development of new as well as re-analysis of existing standards. It is widely recognised that a 'total approach' to safety is vital whatever standard-setting procedure we apply.

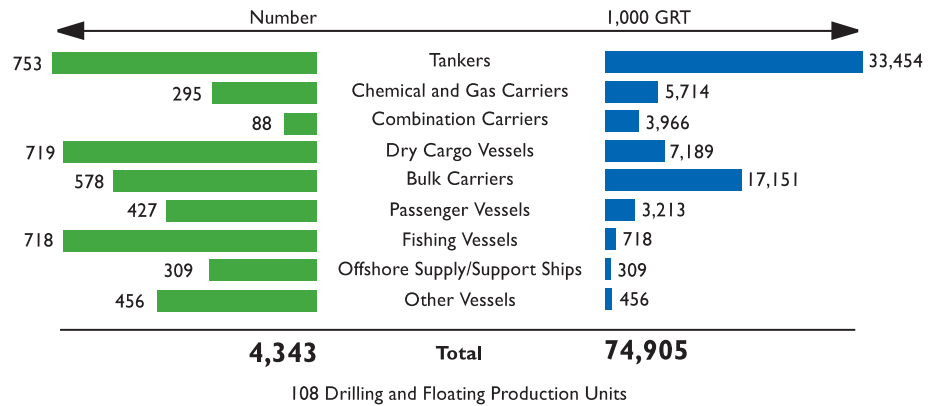
THE JOINT EUROPEAN RO-RO STABILITY PROJECT

As a consequence of the *Estonia* ferry sinking in 1994, a major international collaborative project was established to take a closer look at the stability rules for ro-ro ferries. DNV was appointed as project manager. The project was split into two phases: one to develop a new framework for stability calculations, and one to develop and apply risk analysis methods for passenger/ro-ro ships. It comprised nine sub-projects.

New methods and criteria for calculation of damage stability for ro-ro ferries were proposed, and it is expected that these will eventually lead to changes in the international requirements for new ships. The resulting report demonstrates that it is possible to design ro-ro ferries with the neces-



DNV surveyor Johnny Wauran inspects the liquefied-gas tanker *Norgas Challenger* in Singapore.



sary improved damage stability, and still maintain the roll-on/roll-off principles. The proposed new rule framework will provide a second barrier of defence against technical and human failure, and will as far as possible ensure that tragedies such as the loss of the *Estonia* will not happen again.

BULK CARRIER SAFETY

Bulk Carrier Safety was more in focus in the world of shipping in 1996 than any other

topic, due to a disturbingly high number of lives lost in connection with casualties to this type of ship.

Through our involvement in IACS, DNV has been an important contributor to the progress made so far in eliminating such losses. Structural survivability is the key; IACS has carried out a comprehensive study of casualties that have happened over the past 15 years, and as a consequence has decided to introduce retroactive requirements

The 'coastal express' vessel *Nordkapp* makes its way along Norway's western coastline.



PORT STATE CONTROL
DNV has the lowest frequency of detentions in U.S. waters.



ENVIRONMENTAL CERTIFICATION IN KOREA

Korean Air and the Korean shipping company Hyundai Merchant Marine are both certified to ISO 14001 by DNV.



for existing bulk carriers. These requirements are over and above further strengthening of the Enhanced Survey Programme. From 1 July, 1998 there is a phase-in programme through which these requirements will apply to ships above 15 years of age. At the same time new unified requirements will be introduced for newbuildings with regard to the hull structure.

PORT STATE CONTROL

Port State Control (PSC) is an important way of ensuring compliance with the maritime safety regime. PSC has increased considerably over the past 10 years, in Europe, the Americas and the Pacific Rim countries. PSC has made evasion of compliance with rules and regulations more difficult, making it an important supplement to efforts to enhance safety and quality in shipping.

In statistics published by the US Coast Guard and the Australian Maritime Safety Authority, DNV is the classification society with the fewest detentions by these two authorities. That very few DNV-classed vessels were detained confirms our quality and Total Safety Class approach, and emphasises the added value to shipowners in having DNV class.

HIGH-SPEED TRANSPORT

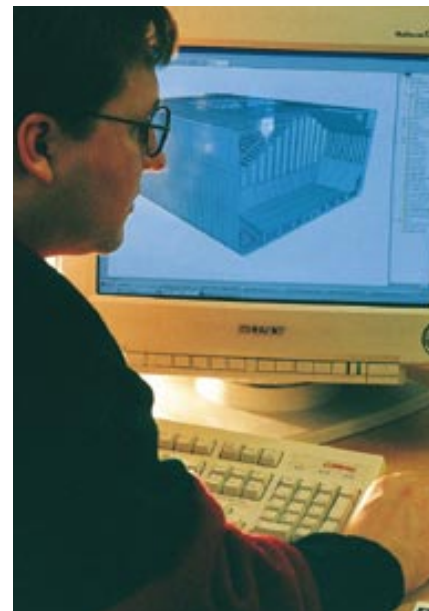
The new generation of Stena's 'HSS' ro-ro ferries are classed by DNV. Their design and construction has pushed the limits of tech-

nology for both Stena Rederi AB and the yard, Finnyards Ltd. The vessels can transport close to 1,500 passengers and 375 cars at an operational speed of 40 knots, propelled by four waterjets with a total power equalling that of a Boeing 747. DNV is the leading classification society in the world of high-speed vessels, with some 75 percent of new high-speed craft being built to DNV class.

DNV has developed a new computerised system for automated hull monitoring to verify the new High Speed concept. This acquires environmental data, operational data, vessel motions, structural strain, accelerations and waterjet manoeuvring forces. The yard will use the results for further optimising the design and verifying compliance with the contract, and DNV for verification of compliance with the rules and design assumptions.

THE NEW TOOL FOR SHIP ANALYSIS

DNV's Nauticus Hull software was evaluated at a number of shipyards in Europe and the Far East during the year, as part of the most comprehensive software-development project yet undertaken by DNV. This hull-analysis software, described in detail in our 1995 Annual Report, is now being implemented, and the Nauticus family will eventually consist of four system modules: Hull, Machinery, Site and Operation, covering the full range of classification activities.



Svein Leite of DNV's new-building department 'models' a bulk carrier using the Nauticus Hull program, developed to support naval architects.

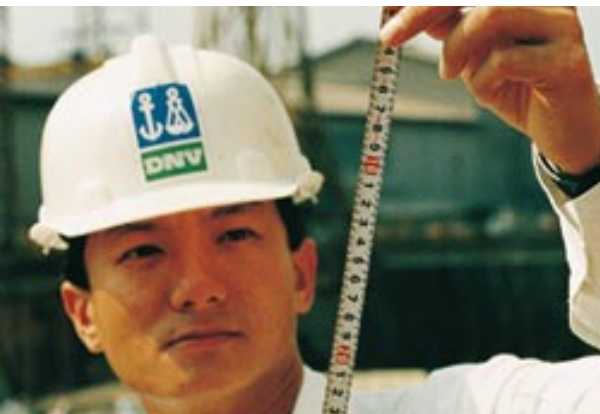


FABRICATION SURVEY

DNV surveyor Toong Ka Loon and S.L. Lim of Keppel FELS Limited Shipyard, Singapore, inspecting a shiphull intended for Saga Petroleum's '15/12 Varg FPSO', a floating production, storage and offloading unit classed with DNV.

Right: DNV surveyor Toong Ka Loon.

Time and cost efficiency



DNV IS ADOPTING *a new offshore role in the North Sea – a role which combines the best practice from the maritime and the petroleum industries, and which will form the basis of our future activities in the oil and gas industry worldwide.*

NORSOK AND CRINE

After 25 years acting as a full-scale 'laboratory' for offshore development and production technology, the North Sea petroleum province has reached maturity. Now, cost-cutting initiatives such as Britain's CRINE and the Norwegian NORSOK are already showing significant results, both in cost savings and in cultural change.

To meet tomorrow's offshore challenge, DNV in 1996 reorganised most of its relevant offshore resources involved in the broad range of classification, certification and advisory services offered today. In this way we shall better meet our clients' needs – with the goal of being recognised as their 'life-cycle' partner for safety, quality and environmental services.

Unlike the huge fixed platforms of the past 20 years, new developments will rely on maritime technology in the form of floating production units – semisubmersible or ship-

hulled – combined with subsea technology and horizontal drilling. Such units can be readily relocated anywhere in the world. Thus they must fulfil international, maritime flag conventions as well as the relevant national shelf regulations. Bridging these new frontiers will be DNV's Classification rules and procedures – internationally accepted quality standards that will serve the offshore oil and gas industry as effectively as they have long served the world's maritime fleet.

MOBILE OFFSHORE UNITS

Stable oil prices and reduced exploration and production costs have increased the oil companies' demand for mobile offshore drilling units. As a result day rates are increasing and are expected to reach record levels in 1997. In particular floaters for deep water are in demand, and as day rates continue to climb, more conversions and



FLOATING PRODUCTION

DNV Class has been adopted for all floating production/storage (FPSO) newbuildings for the Norwegian continental shelf.

NORSOK AND CRINE

DNV is active in the NORSOK and CRINE cost-reduction work on the Norwegian and British continental shelves.



newbuilding projects appear inevitable.

At year end six mobile drilling rigs were under construction to DNV class, two-thirds of the total number of rig newbuildings.

Though the current most

1996. Together with the international contracts that have been secured, this has resulted in a considerable growth in the classification activity for offshore production units.

At the year end 29 floaters were under construction/conversion to floating production and/or storage units, of which 12 (41%) were to DNV class.

To meet this increased demand, DNV's resources working on approval/verification were merged into one unit, to increase the resource base for the activity.

RISK MANAGEMENT INSPECTION

The main benefit of the Risk-Based Inspection technique is in enabling operators to more effectively and efficiently target their inspection budgets on equipment which represents the greatest risks.

attractive market for drilling rigs is in the North Sea, future growth will shift to the Gulf of Mexico, Brazil and West Africa.

FLOATING PRODUCTION

The preference for floating production and subsea solutions continues to increase, as production moves into deeper water and reservoirs become smaller. Short development time and operational flexibility have also increased the interest in floating production facilities.

The focus on cost reduction in the offshore industry has created an environment of learning from the best practices in other industries. Classification systematics in the maritime industry is one of the areas providing benefit in this respect. DNV class has been adopted for all floating production/storage (FPSO) newbuildings for the Norwegian continental shelf taking place in

CONOCO/UK COMPLIANCE ASSURANCE

After two years of discussions and negotiations DNV was awarded the contract for Compliance Assurance for Conoco's Southern North Sea operations, comprising two manned complexes with nine bridge-linked platforms, 18 satellites, six subsea completions and the Theddlethorpe Gas Terminal.

DNV will be one of five main contractors in Conoco's Southern North Sea operations; this Compliance Assurance Contract means that DNV is responsible for the ongoing management, planning and execution of a wide range of services to ensure that 38 installations in the Southern North Sea, operated and managed by Conoco U.K., remain safe, operable and in compliance with both legal and Conoco corporate requirements.

OFFSHORE AUSTRALIA

DRILLING RIGS
 Future growth will shift
 to the Gulf of Mexico, Brazil
 and West Africa.



Woodside's Goodwyn A platform, for which DNV carried out Statutory Verification, is now producing 65,000 barrels of condensate a day and some 400 billion cu.ft of gas.

Off Victoria, Esso has installed Australia's first two concrete platforms, 'West Tuna' and 'Bream B', at a total investment of A\$1.1 billion and bringing DNV's portfolio of fixed platforms in the Bass Strait to 15.

**UNMANNED PLATFORMS
 IN THE DANISH OIL AND GAS FIELDS**

For development of minor discoveries a special lightweight platform has been developed, inexpensive to construct as well as to install. This new STAR platform can be installed by drilling rig instead of one of the few and expensive crane barges. The new platforms have so far been installed in the Dagmar, Krak, Dan, Skjold, Svend, Roar and Valdemar fields, with more to follow in other fields.

As a consulting body for Denmark's Energy Board, DNV has actively participated in formulating new requirements for unmanned platforms, so that new installations require minimal maintenance and pose no threat of any consequence to life or the environment if a fault should occur.

TEXACO CONTRACT IN U.K.

In March 1996, DNV Aberdeen signed a contract with Texaco North Sea U.K. Ltd. for provision of certification services for the

following Texaco installations in the British sector of the North Sea:

- Tartan 'A' and Strathspey, existing installations transferred from Lloyds to DNV;
- Captain Complex, Wellhead Protection Platform and Monohull FPSO currently under construction with Lloyds Certification, completed in December and transferred to DNV.

DNV will act as Certifying Authority for all these installations, and aims also to act as Verifying Body under the new U.K. Offshore Legislation.

DNV PIPELINE RULES

DNV has met the challenges in the pipeline industry by introducing a major revision of the DNV Pipeline Rules, including updates on design criteria, materials, fabrication, installation methods and a complete new section on requalification.

The revision has been made in close cooperation with Norwegian industry through

the NORSOK initiative, in order that the Rules may be referred to as the common requirement for submarine pipelines in Norway, whilst at the same time stating requirements with worldwide validity. The

OFFSHORE AUSTRALIA
 Off Victoria, Esso has installed Australia's first two concrete platforms, 'West Tuna' and 'Bream B', at a total investment of A\$1.1 billion. DNV's portfolio of fixed platforms in the Bass Strait now totals 15.

For Denmark's Energy Board, DNV has actively participated in formulating new requirements for unmanned North Sea platforms.

RISK-BASED INSPECTION
 DNV is developing Risk-Based Inspection techniques, procedures and tools.



current revision of the DNV Rules has been developed so as to be in conformity with the ISO standard for Pipeline Transportation Systems for the Petroleum and Natural Gas Industries.

Substantial development of reliability-based design methods has taken place, allowing for the definition of alternative design methods based on a limit-state methodology and introducing partial safety coefficients.

LONG-TERM CONTRACTS WITH STATOIL

Long-term contracts with Statoil were obtained in the areas of pipeline technology and safety and reliability. The objective is to support Statoil in becoming a leading operator conforming to high standards in

health, safety and the environment in general. Statoil is among the world's largest operators of offshore pipeli-

nes carrying oil and gas.

RISK-BASED INSPECTION

In 1993 DNV had entered into an agreement with the American Petroleum Institute (API) on behalf of 15 major oil and gas companies to develop a new technology entitled 'Risk-

Based Inspection'. In 1995 API released a base resource document written by DNV to serve as the basis for a new API standard and guideline on Risk-Based Inspection. Since then interest in this project among the major oil, gas and petrochemical companies has grown, with some 22 sponsors now serving on the API committee.

Now DNV's work has moved from the writing of the Base Resource Document to developing risk-based inspection techniques, procedures and tools, and the application of these in operating facilities. In 1996, DNV entered into a worldwide contract with Dow to develop and deliver risk-based inspection services and software at some fifty operating sites. In the offshore industry DNV has been working with Statoil to develop and implement RBI techniques for some of its platforms.

The main benefit of this technology is in enabling operators to more effectively and efficiently target their inspection budgets on equipment which presents the greatest risks.

AZERBAIJAN

DNV has established an office in Baku in Azerbaijan with the aim of serving the oil and gas industry.

The goal for DNV is to be authorised by the national authorities to carry out inspection and approval of offshore installations.

In 1996 DNV was assigned by Azerbaijan

DNV has entered into a worldwide contract with Dow to develop and deliver risk-based inspection services and software.

THE NORTH SEA

Long-term contracts with Statoil were obtained in the areas of pipeline technology and safety and reliability.

AZERBAIJAN

DNV has established an office in Baku in Azerbaijan to serve the country's oil and gas industry.



International Operating Company to undertake Environmental Impact Assessment of the appraisal drilling and early oil production and transportation for the Chirag Field. One of three new fields to be developed by AIOC in the Caspian Sea – the others are the Azeri and Gunashli fields – the Chirag is part of one of the world's richest reserves, equivalent to some 3.8 bil-

lion barrels of oil.

DNV was also engaged to review the safety regime for offshore activities in the Republic of Azerbaijan with the State Mining and Control Committee as partner and client. Key issues include risk and emergency preparedness, environmental management and the principles of government control.

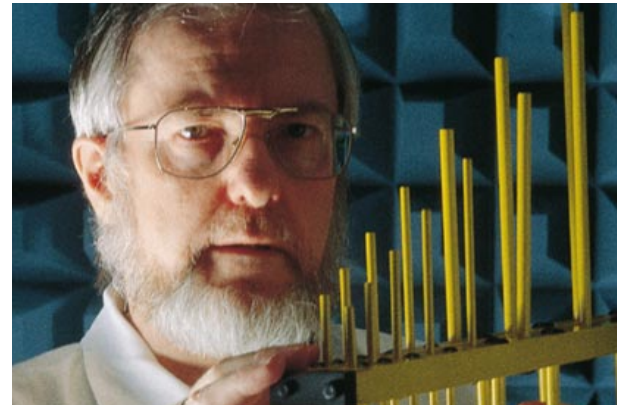
THE NORTH SEA

With the goal of being recognised as a 'life-cycle' partner for safety, quality and environmental services, DNV has reorganised many of its relevant offshore resources.



Searching for continuous improvement

ALL COMPANIES, *to remain successful, must focus on continuous improvement. Some become certified, others have ambitions beyond merely the level of compliance with international management standards.*



Industry is continuously striving to improve its management and operations, in order to strengthen competitiveness and to enhance a company's market position. Companies in DNV's traditional industry sectors, as well as in new areas, are more and more utilising DNV's competence and services to improve and document their own performance.

DNV's position as a leading, international certification body contributes to increased international confidence and market acceptance for companies and products carrying our certificates. DNV's Loss Control Management services include assistance to our clients in their efforts to reduce losses and to measure and document their management performance.

1996 has confirmed the trend experienced in recent years of a growing demand for our certification and supportive management-related advisory services across a broad spectrum of industry sectors.

ACCREDITED CERTIFICATION

The worldwide demand for certification of quality management systems is still growing, though several geographical markets can be described as mature. Market globalisation implies a continuing need for companies to document their ability to deliver what they specify, in a trustworthy and internationally recognised fashion. Certificates from internationally recognised accredited certification bodies like DNV have become an important tool for many companies to demonstrate that their management systems satisfy such international standards as ISO 9001 or 9002, helping create confidence for customers old and new.

DNV provides certification of quality management systems to a wide range of manufacturing industries as well as service sectors. One sector with notably growing demand during 1996 was the automotive industry. DNV's clients here include several

ELECTROMAGNETIC COMPATIBILITY TESTING

Laboratory testing for electromagnetic disturbance is a key activity for DNV in the certification of electrical and electronic products.

Left: DNV senior engineer Per Gulbrandsen tests electrical and electronic equipment.



ACCREDITED QUALITY MANAGEMENT CERTIFICATION



car manufacturers as well as their major suppliers.

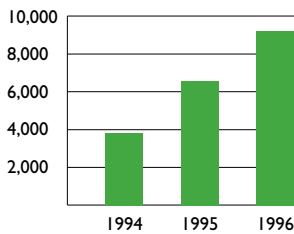
DNV's certification unit in Italy experienced considerable growth in quality system certification last year. A significant milestone was reached when DNV's certificate No. 1000 in Italy was handed over to Ferrari, and accepted by Ferrari's president Luca di Montezemolo. This event confirms a successful development trend for DNV's

operations in Italy, and underlines the importance which reputed international companies attach to ISO 9000 certification.

Three of the world's leading car manufacturers, Chrysler, Ford and General Motors, introduced in 1994 their common scheme for certification of the quality systems of their main suppliers, QS 9000. This is an extension and amendment to the ISO 9001 standard, and will greatly reduce the need

A significant milestone was reached when DNV's certificate No. 1000 in Italy was handed over to Ferrari.



ISO 9000 ACCREDITED CERTIFICATES ISSUED BY DNV

for extensive duplication of audits and follow-up.

DNV has secured a number of contracts, many of these for large, multi-site suppliers like General Motors Powertrain with 23 sites in the U.S.A. and Australia, and United Technologies Automotive with 62 sites in the U.S.A., Mexico and the Philippines.

The ISO 14001 standard for Environmental Management Systems was issued in the early autumn of 1996. Though the draft standard has been in use for about a year, there are indications that many companies have waited for the final standard before they initiate a certification process.

An indication that market interest is growing in the certification of environmental management systems is that DNV has certified more than 30 companies in Japan, Korea and Taiwan. One of these is Korean Air Lines, operating more than 100 aircraft and employing some 17,000 people. The certificate covers cargo and passenger services, catering services, aircraft maintenance and aircraft assembly.

During 1995, DNV entered into a frame agreement with ABB on certification and related services, with focus on certification of environmental management systems. Though the activity level within this frame agreement varies between regions, the agreement has contributed to increased co-operation between ABB and DNV. In addition to the commercial aspects, this positive con-

tribution is linked to shared experiences and continuous learning and improvement in both organisations.

The Eco Management and Audit Scheme (EMAS) introduced by the European Union

in 1995, led to a growing number of industrial companies in Europe registering according to this scheme, often in addition to having their environmental management system certified to internationally accepted standards such as ISO 14001. In Germany alone DNV has verified around 30 sites according to EMAS. Most of these also have their environmental management system certified by DNV according to ISO 14001.

An effective quality system is often the best means to ensure that products are designed and manufactured in compliance with regulations and requirements. This is also the philosophy embedded in the European product directives. The close link between certification of quality systems and certification of products was one reason for DNV to become a Notified Body for the main categories of products manufactured by our existing customers with quality sys-



Recognition of environmental concerns: a growing number of industrial companies are registering for the Eco Management and Audit Scheme (EMAS).

**EMAS CERTIFICATION
IN GERMANY**

DNV has verified around 30 sites.

MEDICAL EQUIPMENT

Most of DNV's projects originate from Italy, Germany, Finland, Japan, Thailand, India and the U.S.A.



**ENVIRONMENTAL
MANAGEMENT
SYSTEMS**

Certified for 30 companies in Japan, Korea and Taiwan.



QS 9000
General Motors Powertrain with 23 sites in the U.S.A. and Australia.

United Technologies Automotive with 62 sites in the U.S.A., Mexico and the Philippines.

tems certified by DNV.

DNV recognises that most of our certification customers are looking for 'one stop shopping' when they consider their certification needs. DNV's intention is to be able to satisfy clients' needs for certification of quality, environmental and safety management systems, certification of products according to governmental regulations and other requirements, and certification of personnel.

During 1996 DNV developed and implemented systems and procedures which enable us to act as Notified Body for manufacturers of telecommunication terminal equipment and of medical equipment. For the former, DNV is involved with major international manufacturers such as Ericsson. In the case of medical equipment, most of DNV's projects originate from Italy, Germany, Finland, Japan, Thailand, India and the U.S.A. The markets in these areas are growing rapidly.

Introduction of the European directives has also had an effect on the offshore industry. In addition to fixed offshore installations, some of the directives apply also to floating and fixed floating production installations. DNV carried out a number of projects as Notified Body for equipment to be used on board offshore installations for the Norwegian and the British continental shelf.

Introduction of the EMC directive on

electromagnetic compatibility has provided more work for our laboratories in testing equipment for both the marine and general industries.

LOSS CONTROL MANAGEMENT

Growing awareness of the importance of improving management systems and performance has provided new opportunities for DNV to assist and support our customers. While some companies aim to develop their management systems and increase their competence to the level necessary to become certified, others have ambition to develop further, as a means to improve their performance even more.

Based on DNV's Loss Control Management (LCM) principles, DNV offers training – in-house or at the client's premises – performance measurements and facilitation of improvement processes. The training programmes and improvement methods developed around our rating tools for measuring safety, quality or environmental management systems (ISRS, IQRS and IERS), are extensively used by companies large and small. A number of them are also developing and integrating their separate management-system elements into one overall system; this again calls for close cooperation between DNV and the client company.

Among the users of our services related to safety management systems, we have for years counted parts of the Ford organisa-



WORLDWIDE APPLICATION OF DNV'S RATING TOOLS

ISRS: International Safety Rating System.
IQRS: International Quality Rating System.
IERS: International Environmental Rating System.



tion. One cornerstone here is a global health and safety operating system developed as a partnership between Ford Motor Company, United Auto Workers (UAW) and DNV. The system is based on DNV's Modern Safety Management Course and the UAW-Ford Safety and Health Assessment Review – SHARP.

In view of the international range of Ford Motor Company plants and activities, DNV has also appointed a client director to coordinate our work for the company and serve as principal point of contact.

CONTINUOUS IMPROVEMENT

Regional and international quality recognition schemes have for many years been in operation as a means to promote quality awareness and improve quality management. DNV's quality rating tool, IQRS, can be used by companies to measure performance and facilitate improvement processes towards criteria for quality awards such as the European Quality Award.

During 1996 DNV performed a development project with Scandinavian Airlines System (SAS) with the aim of adopting IQRS as the performance indicator qualifying for EQA.

Another international DNV client is Schlumberger, with whom we have been working since 1995 on the definition and development of Environmental, Safety and Quality Management systems for its subsid-

ary Schlumberger Wireline and Testing North Sea. Schlumberger has launched a development programme based on continuous improvement, with DNV providing external auditors and structured audit protocols through our International Environmental Rating System IERS.

In 1996 Schlumberger established improvement teams and activities to identify environmental issues, set objectives and targets, implement local improvement programmes, and measure performance through audits and benchmarking.

Schlumberger has used our IERS both as an auditing tool and as a route map towards improvement.

For DNV, internationally well-known clients such as Ford Motor Company, SAS, ABB, Pepsi Co., BP, Schlumberger and General Electric Aircraft Engines represent more than just the commercial value of contracts.

The knowledge and experience DNV gains through co-operation with such demanding customers has a significant impact on the development and improvement of our own services.

Schlumberger has used our IERS both as an auditing tool and as a route map towards improvement in environmental quality.



The organisation

Our 'organisational capital' is the knowledge, competence, energy, creativity and efficiency of each employee. The challenge for DNV is to invest this capital wisely through leadership and management, resulting in satisfied customers, motivated employees, and a society at large recognising our efforts as useful and beneficial. Meeting this challenge is essential for sound business results.

Throughout 1996 we continued to develop the organisation, with our managing principles as Customer Focus, Process Orientation, Continuous Improvement and People Empowerment. In this way we optimised our resources to serve customers to the best of our ability.

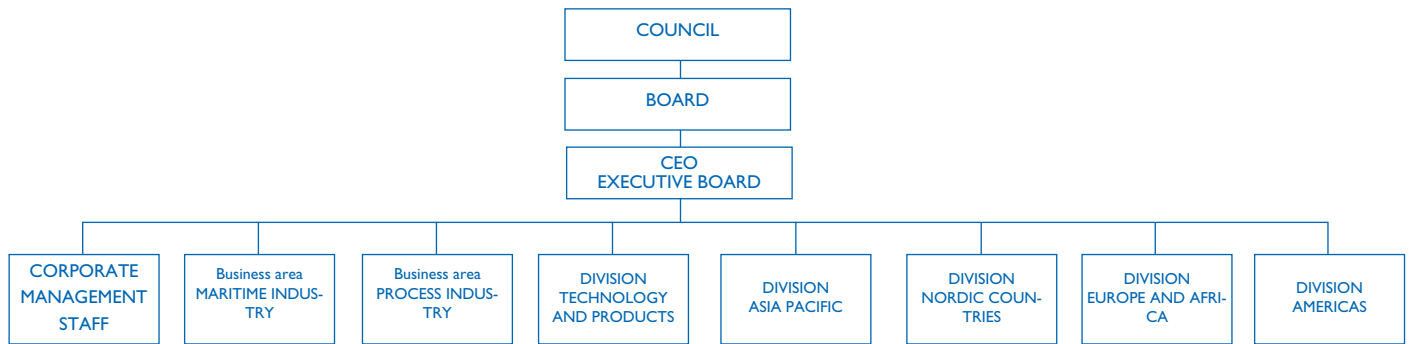
We will continue to train and develop our employees to ensure they have the competence to best carry out their work, and will provide wherever possible opportunities for further growth and development.

DNV staff

Our employees totalled 4,000 at the end of 1996. The year saw major organisational changes and the recruitment of 500 new employees, mainly in East Asia and Europe. We have proved our ability to cope with these changes; now we must improve our ability to adapt to future demands from the market.

Location

Our staff represent 67 nationalities working in 100 countries. 53 % of our employees come from countries outside Scandinavia.



DNV's management



SVEN ULLRING
CEO and Chairman
of the Executive
Board

**TERJE STAAL-
STRØM**
Division Technology
and Products



**STEIN THOR VER-
LE**
Deputy CEO

TOM VIRIK
Division Asia Pacific



**MIKLOS KONKO-
LY-THEGE**
Corporate Manage-
ment Staff

**JENS HENRIK WER-
GELAND**
Division Nordic
Countries



**TOR-CHRISTIAN
MATHIESEN**
Business Area Mari-
time Industry

PETER RODHOLM
Division Europe and
Africa



BJØRN WEIBYE
Business Area Pro-
cess Industry

**HELGE DAG TAN-
GEN**
Division Americas



Financial Highlights

(Figures in NOK million)	1996	1995	1994	1993	1992
Profit and loss account:					
Operating revenues	3,321	3,071	2,935	2,935	2,647
Depreciation	112	107	112	107	100
Operating profit	313	345	296	269	261
Net financial expense	(12)	(27)	(123)	(11)	(79)
Profit before taxes	301	317	173	258	182
Net profit	233	210	124	176	117
Balance sheet:					
Current assets	1,778	1,669	1,532	1,597	1,401
Long term assets exc. goodwill	1,417	1,444	1,392	1,442	1,462
Goodwill	(0)	9	19	28	38
Total assets	3,195	3,122	2,943	3,067	2,901
Current liabilities	678	713	686	688	648
Long term liabilities	928	1,012	1,069	1,281	1,172
Equity	1,589	1,398	1,187	1,088	1,073
Cash flow items & working capital:					
Purchase of fixed assets	131	148	103	164	252
Working capital	1,100	956	846	909	753
Cash flow	345	317	236	285	222
Number of employees					
	4,000	3,681	3,582	3,520	3,430
FINANCIAL RATIOS					
Profitability:					
Operating margin	9.4%	11.2%	10.1%	9.2%	9.9%
Profit margin	9.1%	10.3%	5.9%	8.8%	6.9%
Interest cover	26.1	12.6	2.4	24.3	3.3
Return on total assets	12.1%	13.8%	11.4%	13.0%	12.6%
Return on equity	20.2%	24.5%	15.2%	23.9%	18.1%
Liquidity:					
Current ratio	2.6	2.3	2.2	2.3	2.2
Liquidity reserves	724	718	690	739	676
Liquidity cover	25.0%	27.4%	27.3%	28.9%	29.5%
Leverage:					
Equity ratio	49.7%	44.8%	40.3%	35.5%	37.0%
Net debt ratio	7.5%	16.2%	24.3%	35.5%	38.4%

Definition of ratios:

Profitability:

Operating margin:

Operating profit x 100 /
Total operating revenues

Profit margin:

Profit before taxes x 100 /
Total operating revenues

Return on total assets:

(Operating profit +
Financial income) x 100 /
Average total assets

Return on equity:

Profit before taxes x 100 /
Average equity

Interest cover:

Operating Profit /
Net financial expense

Liquidity:

Cash flow:

Profit before taxes
+ depreciation – taxes payable

Current ratio:

Current assets /
Current liabilities

Liquidity reserves:

Cash and bank deposits
+ Shares & bonds, promissory
notes and special bank deposits
and other loans

Liquidity cover:

Liquidity reserves x 100 /
(Total operating expenses
– depreciation)

Leverage:

Equity ratio:

Equity x 100 / Total assets

Net debt ratio:

(Total interest bearing debt
– Liquidity reserves) x 100 /
(Equity + Minority interests
– Goodwill)

Total interest bearing debt includes: overdrafts, short term promissory notes, current portion of long term loans, mortgage loans and long term promissory notes

Profit and Loss Account

DET NORSKE VERITAS FOUNDATION		(Figures in NOK million)		DET NORSKE VERITAS (CONSOLIDATED)	
1996	1995		Note	1996	1995
		Operating revenues			
0.0	0.0	Sale of services		3,173.3	2,859.2
0.1	35.7	Other operating revenues		147.7	212.2
0.1	35.7	Total operating revenues	3	3,321.0	3,071.4
		Operating expenses			
3.3	36.0	Salaries and social expenses	2	1,681.0	1,553.7
(3.4)	17.9	Other purchase, sales and administration expenses		1,201.6	1,054.6
0.2	0.9	Ordinary depreciation	11	111.5	107.0
0.0	0.0	Losses on receivables		13.5	11.5
0.1	54.8	Total operating expenses		3,007.6	2,726.8
(0.0)	(19.1)	Operating profit (loss)		313.4	344.6
		Financial income and expenses			
3.3	3.4	Dividends earned		3.3	3.4
26.1	50.2	Net interest earned from companies in Det Norske Veritas		0.0	0.0
27.5	28.5	Interest earned		35.1	32.9
18.1	32.5	Other financial income		29.2	36.8
(48.1)	(60.5)	Interest charged		(60.4)	(75.4)
0.0	0.0	Other financial expenses		(19.2)	(25.1)
26.9	54.1	Net financial income (expense)	4	(12.0)	(27.4)
26.9	35.0	Profit before tax expense		301.4	317.2
(5.4)	(2.6)	Tax expense	5	(68.0)	(106.8)
21.5	32.4	Profit before minority interest		233.4	210.4
0.0	0.0	Minority interest	13	(0.1)	(0.1)
21.5	32.4	NET PROFIT		233.3	210.3
		Appropriation of net profit			
21.5	32.4	Allocation to free reserves			

Balance Sheet

DET NORSKE VERITAS FOUNDATION		<i>(Figures in NOK million)</i>	DET NORSKE VERITAS (CONSOLIDATED)	
31 December 1996	31 December 1995		31 December 1996	31 December 1995
			Note	
ASSETS				
Current assets				
384.0	201.4	Cash and bank deposits	6	166.0 162.6
555.9	553.1	Shares and bonds	7	557.4 554.5
		Promissory notes, special bank deposits and other loans		0.8 0.4
0.0	0.0			
0.0	0.7	Accounts receivable	8	684.7 618.4
45.6	70.6	Intercompany receivables		0.0 0.0
15.4	18.3	Other short term receivables		127.3 107.4
0.0	0.0	Work in progress		235.6 222.4
0.0	0.0	Physical stocks		6.4 3.4
1,000.9	844.1	Total current assets		1,778.2 1,669.1
Long term investments				
29.9	14.0	Long term shareholdings	9	35.5 19.1
240.0	240.0	Shares in subsidiaries	10	0.0 0.0
0.0	523.0	Subordinated loans to subsidiaries		0.0 0.0
0.0	140.9	Long term loans to subsidiaries		0.0 0.0
24.2	24.0	Long term loans to employees		45.2 43.2
36.3	27.0	Other long term receivables	2	187.6 163.1
330.4	968.9	Total long term investments		268.3 225.4
Fixed assets				
0.4	2.8	Machinery, equipment and goodwill	11	199.6 213.6
0.0	0.0	Buildings and property	11	949.1 1,014.2
0.4	2.8	Total fixed assets		1,148.7 1,227.8
Total fixed assets and long term investments				
330.8	971.7			1,417.0 1,453.2
1,331.7	1,815.8	TOTAL ASSETS		3,195.2 3,122.3

Balance Sheet

DET NORSKE VERITAS FOUNDATION		<i>(Figures in NOK million)</i>	DET NORSKE VERITAS (CONSOLIDATED)		
31 December 1996	31 December 1995		Note	31 December 1996	31 December 1995
LIABILITIES AND EQUITY					
Current liabilities					
0.1	0.8	Accounts payable		88.6	74.2
0.0	0.0	Overdraft	6	42.0	44.5
0.0	0.0	Short term promissory notes		18.0	22.2
		Taxes withheld, VAT, accrued holiday allowance etc.		166.1	164.9
0.5	3.9				
5.7	5.0	Taxes payable		96.1	117.1
0.0	0.0	Prepayments from customers		124.0	116.4
7.3	9.8	Intercompany payables		0.0	0.0
0.0	0.0	Current portion of long term loans	12	0.0	9.3
13.2	4.8	Other current liabilities		143.0	164.1
26.8	24.3	Total current liabilities		677.8	712.7
Long term liabilities					
0.0	0.0	Mortgage loans	12	0.0	43.9
709.2	754.8	Long term promissory notes		783.4	822.3
0.0	462.6	Long term intercompany loans		0.0	0.0
24.5	24.4	Other long term liabilities	2	144.3	145.5
0.0	0.0	Deferred taxes	5	0.0	0.0
733.7	1,241.8	Total long term liabilities		927.7	1,011.7
760.5	1,266.1	Total liabilities		1,605.5	1,724.4
0.0	0.0	Minority interests		0.4	0.2
Equity					
283.5	283.5	Foundation capital		283.5	283.5
0.0	0.0	Legal reserves (in Norway)		309.4	327.4
0.0	0.0	Temporary restricted reserves		0.0	2.8
287.7	266.2	Free reserves		996.4	784.0
571.2	549.7	Total equity	13	1,589.3	1,397.7
1,331.7	1,815.8	TOTAL LIABILITIES AND EQUITY		3,195.2	3,122.3
0.0	0.0	Assets pledged as security (book value)	12	0.0	313.1
176.7	199.2	Guarantees		36.9	43.5

Statement of Cash Flow

DET NORSKE VERITAS FOUNDATION		<i>(Figures in NOK million)</i>	DET NORSKE VERITAS (CONSOLIDATED)	
1996	1995		1996	1995
		CASH FLOW FROM OPERATIONS		
21.7	32.8	Funds from current year's operations *)	325.3	308.2
		Changes in work in progress, accounts receivable and payable	(65.1)	(49.2)
22.5	(2.0)			
0.0	0.0	Changes in minority interests and equity	(41.6)	0.0
8.7	(54.3)	Changes in other accruals and deferrals	(59.9)	(33.8)
52.9	(23.5)	Net change in liquidity from operations	158.7	225.2
		CASH FLOW FROM INVESTMENTS		
0.0	(2.1)	Investments in fixed assets	(130.5)	(148.1)
2.3	1.0	Sale of fixed assets (sales amount)	120.4	65.8
0.0	0.0	Currency effects on fixed assets	(7.4)	17.4
638.5	26.3	Changes in other investments	(38.2)	(75.2)
640.8	25.2	Net change in liquidity from investments	(55.7)	(140.1)
		CASH FLOW FROM FINANCING		
0.0	0.0	New loans (short/long term)	9.2	0.0
(50.0)	(45.2)	Repayment of existing loans	(94.3)	(54.5)
(462.6)	1.0	Net change, internal loans	0.0	0.0
4.4	4.8	Currency effect	(11.2)	(2.8)
(508.2)	(39.4)	Net change in liquidity from financing	(96.3)	(57.3)
185.5	(37.7)	Net change in liquidity	6.7	27.8
754.5	792.2	Liquidity at 1 January	717.5	689.7
940.0	754.5	Liquidity at 31 December	724.2	717.5
		*) This amount consists of the following:		
26.9	35.0	Profit before tax expense	301.4	317.2
0.0	(0.5)	Net gain/loss on sale of fixed assets	(19.6)	(9.2)
0.2	0.9	Ordinary depreciation	111.5	107.0
(5.4)	(2.6)	Taxes payable	(68.0)	(106.8)
21.7	32.8	FUNDS FROM CURRENT YEAR'S OPERATIONS	325.3	308.2

Notes to the Financial Statements

I. ACCOUNTING PRINCIPLES

The accounts are a translation of the statutory accounts of Det Norske Veritas and have been prepared in accordance with accounting principles generally accepted in Norway. The most important accounting principles followed by Det Norske Veritas are described below.

Consolidation

The consolidated accounts include DNV Foundation and all companies in which DNV Foundation directly or indirectly owns more than 50% of the shares. The consolidated accounts show Det Norske Veritas' profit and loss account, balance sheet and statement of cash flow when regarded as one accounting unit.

Intercompany transactions have been eliminated.

Shares in subsidiaries are eliminated according to the past equity method. Accordingly the cost of shares in subsidiaries is eliminated against equity in the same subsidiaries on date of acquisition. Differences arising between these amounts have been classified as goodwill under fixed assets. This goodwill is depreciated on a straight line basis over 5 years.

Subsidiaries acquired during the year are included in the profit and loss account from the date of acquisition.

Subsidiaries sold have been excluded from the profit and loss account from the beginning of the year.

Translation of accounts of foreign subsidiaries

When translating the foreign subsidiaries' annual accounts into Norwegian currency, the following principles are applied:

- The profit and loss items are translated at the average exchange rate in the financial year.
- The balance sheet items are translated at the exchange rate applying at 31 December.
- The translation rate differences which arise as a consequence of the principles above, are classified in the profit and loss accounts as financial expense or financial income.

Income taxes

Income tax expense includes taxes payable and change in deferred taxes. Deferred taxes are calculated in accordance with the liability method. These are provided for on all temporary differences and tax loss carry-forwards. Revaluation of land has been treated as a permanent difference. All positive and negative temporary differences and tax loss carry-forwards have been offset when calculating net deferred tax. Net deferred tax asset is not included in the balance sheet.

Assets and liabilities in foreign currency

Assets and liabilities in foreign currency are translated at the exchange rate applying at 31 December. Financial instruments, mainly forward exchange contracts and currency swaps, are used to hedge all significant balances denominated in the most common foreign currencies.

The related hedges are included at market value at 31 December.

Consequently, both realised and unrealised currency gains or losses are taken to income and included on a net basis as either other financial income or other financial expense.

Premiums paid for currency and interest rate options acquired to hedge future cash flows are capitalised and amortised over the life of the contracts. No mark to market adjustments are recorded at year-end.

Accounts receivable

Accounts receivable are stated at nominal value less provision for doubtful accounts.

Revenue recognition and work in progress

Revenues from services are recognised under the percentage of completion method. Work in progress is consequently stated at estimated sales value, and changes in work in progress are included in operating revenue.

Shares and other securities

Shares and other securities which are not regarded as long term investments are classified in the balance sheet as current assets. The securities portfolios are valued as a whole at the lower of cost and market value. This also includes options and other derivatives held for investment purposes.

Shares and other securities which are long term investments are stated at cost. However, these interests are continuously reviewed and, if appropriate, written down in case of permanent impairment in value of each individual investment. The equity method has not been applied for any of these companies, as the effect on Det Norske Veritas' balance sheet is considered insignificant.

Fixed assets and depreciation

Depreciable fixed assets have been stated in the balance sheet at cost less accumulated ordinary depreciation. Ordinary depreciation is charged on a straight line basis over the economic life of the assets. Gains/ losses on sale of fixed assets are included in other operating revenues/other operating expenses.

Litigation

When companies in Det Norske Veritas are involved in litigation, and a claim has been put forward, provisions for these claims are made in the accounts based on an evaluation of the validity and amount of the claim.

Pensions

From 1 January, 1993 Det Norske Veritas changed its principles for calculation and presentation of pension expenses, pension obligations and pension assets related to the Norwegian entities in the consolidated accounts. From 1 January, 1996 Det Norske Veritas included foreign pension obligations according to Norwegian Accounting Standards. In the parent company accounts of Det Norske Veritas Foundation the former principle is still applied, and only annual pension premiums paid are reflected in the accounts. Accordingly, assets and obligations in the pension funds have been included in the consolidated accounts. The calculated obligations include the effect of projected future salary and pension adjustments. The pension assets are based on market values.

Pension costs include the net of benefits earned in the period (including projected salary increases), interest on the projected benefit obligation, estimated return on pension assets and net amortisation of changes

in estimates (changes in actuarial estimates and differences between actual and estimated return on assets).

Net prepaid pension related to the Norwegian pension plans is included in long term receivables and represents the difference between pension assets and the projected benefit obligation, adjusted for unrecognised net changes in estimates. The foreign pension plans show a net pension obligation which is included in long term payables.

Net changes in estimates in excess of 10 % of the projected benefit obligation are amortised over average

AND OBLIGATIONS

The total remuneration for Det Norske Veritas' Chief Executive Officer amounted to NOK 1,878,962 in 1996. Compensation and benefit arrangements for the CEO are otherwise as for employees of the company in general.

Total remuneration paid to members of the Board amounted to NOK 981,746 in 1996, and NOK 330,000 to the auditor.

The pension obligations of Det Norske Veritas are mainly covered through the two separate pension funds in Norway (Det Norske Veritas Pension Fund and Det Norske Veritas Pension Fund for Supplementary Pension Benefits), and arrangements with foreign insurance companies.

Det Norske Veritas has pension plans which will give future pension benefits to the employees. These future benefits will be based on the pension plan rules applicable at that time. Today, the pension benefits are

remaining service period (15 years).

Please refer to note 2 which describes in detail the assumptions used and the effects on the financial statements.

Leases

Several group companies have lease commitments primarily related to office facilities. Provisions are recorded for commitments related to leased facilities not currently in use based on an evaluation of the expected period to sublet the facilities.

2. SALARIES, PENSION PREMIUMS

based on the employee's salary level at the time of retirement and on the number of years of membership. The pension schemes are considered as defined benefit plans. This has also been the basis for calculating the pension cost and pension obligations included in the accounts and as shown in this note.

Contributions to the Group's pension plans are made in accordance with common actuarial calculation methods in the country where the pension plan is administered. The pension assets are primarily invested in interest-bearing securities, real estate and listed shares.

For 1996 accounts Det Norske Veritas has included foreign pension obligations according to Norwegian Accounting Standards. Net pension obligation as at January 1st 1996 is NOK 36.8 million which is recorded against equity together with reversing of other foreign pension plans included in the 1995 accounts. Total effect recorded against equity is NOK 41.7 million.

	Norwegian pension plans	
	1996	1995
Net periodic pension cost includes:		
Estimated gross pension cost	102.1	97.8
Expected return on assets	(61.8)	(50.8)
Net pension cost, included in salaries and social expenses	40.3	47.0

As at December 31 the Norwegian and foreign pension assets and obligations were as follows:

	Norwegian pension plans		Foreign pension plans	
	1996	1995	1996	1.01.1996
Fair value of pension assets	1,044.4	882.9	180.1	180.1
Actuarial present value of pension obligations	(919.0)	(851.6)	(235.4)	(236.6)
Unrecognised net changes in estimates	(17.4)	12.0	0.0	0.0
Net prepaid pension (obligations), included in other long term receivables/(liabilities)	108.0	43.3	(55.3)	(56.5)

The calculation of the pension obligations is based on the following assumptions: a 6 % p.a. discount rate, projected annual salary adjustment of 3 %, projected annual increases in pension benefits of 2 %, Norwegian Government basis pension of 3 %, and expected return

on assets of 7 %. Ordinary retirement age in Det Norske Veritas is 67 years. Some managers and employees are entitled to retire with pension premium benefits before the age of 67.

3. OPERATING REVENUES *(Figures in NOK million)*

	DET NORSKE VERITAS	
	1996	1995
Classification	1,341.5	1,168.0
Certification	759.3	667.5
Advisory	1,072.4	1,023.7
Other revenue	147.8	212.2
Total operating revenues	3,321.0	3,071.4

4. NET FINANCIAL INCOME/EXPENSE *(Figures in NOK million)*

The total realised and unrealised return on Det Norske Veritas' securities portfolio is shown below. The composition of the securities portfolio is shown in note 7.

	DET NORSKE VERITAS FOUNDATION				
	1996	1996	1996	1996	1995
	Realised return	Average capital	Realised and unrealised return	Realised and unrealised return as %	Realised and unrealised return as %
Realised return	51.5	555.2	66.4	12.0%	12.2%
of which:					
• Promissory notes	0.0	0.0	0.0	0.0%	24.3%
• Shares	28.9	155.8	36.5	23.4%	6.5%
• Bonds	22.6	399.4	29.8	7.5%	14.1%

In addition to the booked realised return of NOK 51.5 million, NOK 14.9 million was unrealised at year end. As the portfolio is booked at the lower of cost and market value, the unrealised gain is not taken to income in 1996. The return is included in net financial income/expenses.

5. TAXES *(Figures in NOK million)*

	DET NORSKE VERITAS FOUNDATION		DET NORSKE VERITAS FOUNDATION	
	1996	1995	1996	1995
Taxable income	1996	1995	1996	1995
Profit before tax expense	26.9	35.0	5.4	2.6
Permanent differences	(4.0)	(5.1)	32.4	54.8
Change in temporary differences	(1.0)	(46.6)	(1.5)	0.0
Utilisation of tax loss carried forward	(16.7)	0.0	31.7	49.4
Taxable income	5.2	(16.7)	0.0	0.0
Tax expense consists of:	1996	1995	1996	1995
Norwegian wealth tax	5.4	2.6	5.4	2.6
Norwegian income taxes payable	1.5	0.0	32.4	54.8
Tax credit	(1.5)	0.0	(1.5)	0.0
Foreign income taxes payable	0.0	0.0	31.7	49.4
Change in deferred taxes	0.0	0.0	0.0	0.0
Tax expense	5.4	2.6	68.0	106.8
Temporary differences				
Positive differences current items	0.0	0.0	11.6	11.5
Positive differences non current items	1.7	2.2	214.6	141.9
Basis for deferred tax liability	1.7	2.2	226.2	153.4
Tax rates applied	28%	28%	16-54%	25-40%
Deferred tax liability	0.5	0.6	64.0	43.7

	DET NORSKE VERITAS FOUNDATION		DET NORSKE VERITAS	
	1996	1995	1996	1995
Negative differences current items	(8.0)	(8.8)	(29.9)	(26.3)
Negative differences non current items	(1.5)	(20.1)	(220.5)	(138.7)
Basis for deferred tax asset	(9.5)	(28.9)	(250.4)	(165.0)
Tax rates applied	28%	28%	16–54%	25–40%
Deferred tax asset	(2.7)	(8.1)	(80.9)	(54.2)
Net deferred tax asset	(2.2)	(7.5)	(16.9)	(10.5)

In addition there are tax loss carry forwards and negative temporary differences in foreign entities amounting to NOK 22 million which have not been included in the estimated deferred tax, due to uncertainty regarding utilisation.

6. BANK

At 31 December Det Norske Veritas had bank deposits amounting to NOK 31.0 million restricted for the payment of taxes withheld from employees. The corresponding amount in Det Norske Veritas Foundation was NOK 0.2 million.

Det Norske Veritas Holding AS has entered into an agreement for a group bank account system with Den norske Bank, where a number of DNV's legal entities

participate. The agreement includes an overdraft facility of NOK 50 million, guaranteed by DNV Foundation.

The account balances of the individual participants are in this context considered as internal assets or liabilities vis-à-vis other DNV participants. For DNV group on a consolidated basis, the net total negative balance of NOK 16.8 million is included in Overdraft in the balance sheet at 31 December.

7. SHARES AND BONDS *(Figures in NOK million)*

	Share capital of the company	Number of shares owned by DNV Foundation	Par value	Book value	Market value	Unrealised gain/(loss)
Shares owned by DNV Foundation						
Adelsten Holding	10	5,000	0.0	0.7	0.7	0.0
Aker A shares	1,111	20,000	0.4	7.0	7.2	0.3
Aker B shares	176	41,800	0.8	5.1	5.4	0.3
Aker Maritime	283	30,000	0.2	2.6	2.6	0.1
Atlantic Container Line	258	19,500	1.0	2.5	2.4	(0.1)
Bergens Skillingsbank	232	48,000	1.2	3.0	3.1	0.1
Bergesen D.Y	57	33,000	0.1	4.0	5.0	1.0
Braathen SAFE	32	25,000	0.0	1.5	1.6	0.1
Color Line	97	18,000	0.0	0.4	0.5	0.1
Det Søndenfj. Dampskipsselskap	30	27,400	0.1	3.6	4.5	1.0
Dyno Industrier	511	67,500	1.4	9.9	10.9	1.0
Elkem	986	27,400	0.5	2.6	2.9	0.3
Gresvig	31	8,800	0.0	0.9	0.9	0.0
Kværner	421	36,550	0.5	9.3	11.3	2.1
Kværner	121	19,950	0.2	5.2	5.5	0.4
NCL Holding	310	192,000	0.4	2.5	2.1	(0.5)
Nera	131	20,050	0.2	4.5	5.5	1.1
Norsk Hydro	4,581	37,895	0.8	11.6	13.1	1.5
Norske Skogindustrier	531	57,300	1.1	11.0	12.2	1.2
Nycomed	242	65,787	0.3	7.9	6.4	(1.5)
Ocean Rigg	101	150,000	0.2	0.8	0.9	0.2
Petroleum Geo-Service	158	26,500	0.1	6.4	6.6	0.2
Resource Group Int	4	32,800	0.0	2.2	2.1	(0.1)
Rieber & Søn	398	29,700	0.9	4.6	5.5	0.9

	Share capital of the company	Number of shares owned by DNV Foundation	Par value	Book value	Market value	Unrealised gain/ (loss)
Shares owned by DNV Foundation						
Saga Petroleum	1,542	77,500	1.2	8.1	8.3	0.2
SAS Norge	235	99,801	1.0	7.3	6.9	(0.5)
Scana Industrier	27	63,800	0.1	3.2	3.1	(0.1)
Storebrand	1,384	293,000	1.5	10.2	10.8	0.6
Unitor	244	50,600	0.6	4.8	4.1	(0.6)
Total Norwegian shares owned by DNV Foundation				143.2	152.3	9.1
Foreign shares owned by DNV Foundation				12.7	11.1	(1.6)
Options owned by DNV Foundation				(0.3)	(0.2)	0.1
Total shares owned by DNV Foundation				155.7	163.3	7.6
Shares owned by other companies in Det Norske Veritas				0.9	0.9	0.0
Total shares owned by Det Norske Veritas				156.6	164.2	7.6
Norwegian Government bonds held by DNV Foundation				350.0	353.3	3.3
Foreign bonds held by DNV Foundation				50.3	54.2	3.9
Bonds held by other companies in Det Norske Veritas				0.6	0.6	0.0
Total bonds held by Det Norske Veritas				400.8	408.0	7.2
Total shares and bonds owned by DNV Foundation				555.9	570.7	14.9
Total shares and bonds owned by Det Norske Veritas				557.4	572.2	14.9

8. ACCOUNTS RECEIVABLE AND PROVISION FOR DOUBTFUL ACCOUNTS

(Figures in NOK million)

DET NORSKE VERITAS

	31 December 1996	31 December 1995
Accounts receivable:		
Accounts receivable	735.9	663.3
Provision for doubtful accounts	(51.2)	(44.9)
Accounts receivable net	684.7	618.4
Provision in percent of accounts receivable	7.0%	6.8%

9. LONG TERM SHAREHOLDINGS (Figures in NOK million)

Company	Share capital	Owner	Owner interest	Number of shares	Par value	Book value
Røisheim Eiendom AS	5.7	DNV Foundation	5.5%	313	0.3	0.3
Origo Ventures	53.4	DNV Foundation	4.0%	3,592	2.1	1.5
Industrifinans SMB AS	89.5	DNV Foundation	9.8%	8,742	8.7	13.1
Industrifinans SMB II AS	30.0	DNV Foundation	5.0%	15,000	1.5	15.0
Total shares owned by DNV Foundation						29.9
Ship Maneuvering Simulator Center A/S	4.5	Det Norske Veritas AS	40.0%	1,800	1.8	1.8
Marintek AS	11.6	Det Norske Veritas AS	9.0%	100	1.0	0.0
Hua-Zhi-Wei Quality Ass. Cons. Ltd.	2.4	Det Norske Veritas AS	50.0%	1	1.1	1.1
Boss Teknologi AS	0.1	Det Norske Veritas AS	50.0%	250	0.0	0.0
Norsk Rørsenter A/S	1.2	Det Norske Veritas AS	15.0%	180	0.2	0.0
Hordaland Lederutviklingsforum AS	0.2	Det Norske Veritas AS	1.1%	1	0.0	0.0
Computas Expert Systems AS	2.2	DNV Holding AS	11.8%	25,895	0.3	0.3
DNV Ingemannsson AB	0.9	DNV Holding AS	9.9%	990	0.7	0.7
Saga-Veritas Eiendom AS	5.0	DNV Eiendom AS	34.0%	34	1.7	1.7
Total shares owned by other companies in Det Norske Veritas						5.6
Total long term shareholdings						35.5

10. SHARES IN SUBSIDIARIES (Figures in NOK million)

Company	Share capital	Owner interest	Book value
Det Norske Veritas Holding AS	240.0	100%	240.0
Total shares in subsidiaries			240.0

Det Norske Veritas Holding AS owns:

100% of Det Norske Veritas AS

100% of Det Norske Veritas Eiendom AS

These subsidiaries again have 51 subsidiaries in 28 countries.

11. FIXED ASSETS (Figures in NOK million)

DET NORSKE VERITAS FOUNDATION		DET NORSKE VERITAS		
Machinery and equipment		Goodwill	Machinery and equipment	Buildings and property
5.0	Cost at 1 January 1996	81.0	600.8	1,316.3
0.0	Additions in 1996	0.0	109.1	21.4
(3.6)	Disposals in 1996	0.0	(102.2)	(91.3)
(1.0)	Accumulated depreciation at 31 December 1996	(81.0)	(408.1)	(297.3)
0.4	Book value at 31 December 1996	0.0	199.6	949.1
(0.2)	Ordinary depreciation	(9.3)	(83.3)	(18.9)
10–25%	Depreciation rates	20%	10–25%	0–10%

The book value of land included in buildings and property amounted to NOK 81.7 million at 31 December 1996, including a revaluation of NOK 54.0 million from 1986.

Purchase and sales (at sales price) of fixed assets in the last five years: (Figures in NOK million)

	1992		1993		1994		1995		1996	
	Purchased	Sold	Purchased	Sold	Purchased	Sold	Purchased	Sold	Purchased	Sold
Machinery, equipment, goodwill	177.0	13.0	82.6	14.5	85.9	9.0	95.6	14.6	109.1	27.1
Buildings and property	75.3	10.4	81.3	21.1	17.2	10.3	52.5	51.2	21.4	93.3
Total	252.3	23.4	163.9	35.6	103.1	19.3	148.1	65.8	130.5	120.4

12. EXTERNAL LOANS AND MORTGAGE LOANS

DNV Foundation had total credit facilities of NOK 1,017 million at 31 December, of which USD 150 million (NOK 967 million) expires in 2001. NOK 954 million were unused at year end. The credit agreements supporting these facilities restrict Det Norske Veritas' ability to pledge other assets as security to any creditor (negative pledge). They also restrict Det Norske Veritas' ability to freely dispose of main real estate holdings and principal subsidiaries.

In 1996 Det Norske Veritas on a consolidated basis

paid off NOK 53 million in mortgages and at year end stood without any loans of this kind. Thus, none of Det Norske Veritas' assets were pledged as security for loans as at 31 December.

Of the consolidated total external long term loans of NOK 784 million at 31 December, NOK 700 million consisted of certificates (commercial paper) issued in the Norwegian money market. The certificates have been classified as long term loans because the unused portion of the USD 150 million facility is considered as a back-up source of repayment for the certificates outstanding.

13. EQUITY IN DET NORSKE VERITAS (Figures in NOK million)

	Foundation capital	Legal reserves	Temporary restricted reserve	Free reserves	Total
Equity:					
Equity at 31 December 1995	283.5	327.4	2.8	784.0	1,397.7
Total effect of implementing foreign pension plans				(41.7)	(41.7)
Merger		(35.9)	(0.6)	36.5	0.0
Profit for the year and equity transfer		17.9	(2.2)	217.6	233.3
Equity at 31 December 1996	283.5	309.4	(0.0)	996.4	1,589.3

14. TENANCY AGREEMENT

Tenancy agreement regarding building in Stavanger:

Det Norske Veritas Eiendom AS has a tenancy agreement with Det Norske Veritas Pension Fund for Supplementary Pension Benefits which is owner of an office building in Stavanger.

The rent in 1996 amounts to NOK 7.9 million.

The tenancy agreement is non-terminable for 30 years starting in 1984. Det Norske Veritas Eiendom AS has right of first refusal in the event of a sale of the property.

Auditor's Report

We have audited the financial statements of Det Norske Veritas Foundation for 1996, showing net profit of NOK 21.5 million for the foundation and net profit of NOK 233.3 million for the group. The financial statements, which consist of the Board of Directors' report, profit and loss account, balance sheet, statement of cash flow, notes and the corresponding consolidated financial statements, are the responsibility of the Board of Directors and the President and Chairman of the Executive Board.

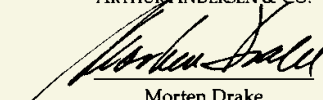
Our responsibility is to examine the foundation's financial statements, its accounting records and the conduct of its affairs.

We have conducted our audit in accordance with applicable laws, regulations and generally accepted auditing standards. We have performed the auditing procedures we considered necessary to determine that the financial statements are free of material

errors or omissions. We have examined, on a test basis, the accounting material supporting the financial statements, the appropriateness of the accounting principles applied, the accounting estimates made by management and the overall presentation of the financial statements. To the extent required by generally accepted auditing standards we have also evaluated the foundation's asset management and internal controls.

In our opinion, the financial statements have been prepared in conformity with the Accounting Act and present fairly the foundation's and the group's financial position as of 31 December 1996 and the result of its operations for the fiscal year in accordance with generally accepted accounting principles.

ARTHUR ANDERSEN & CO.



Morten Drake

State Authorised Public Accountant (Norway)

Oslo, 24 April 1997

■ THE COUNCIL

CHAIRMAN

Gjert Wilhelmsen, Oslo

VICE-CHAIRMAN

Idar Ulstein, Ulsteinvik

HONORARY MEMBER

Erik F. Lorentzen, Oslo

MEMBERS APPOINTED BY

THE COMMITTEE OF MUTUAL MARINE INSURANCE ASSOCIATIONS

Alf Clausen, London
 Emil Gamborg, Oslo
 Tarald Glastad, London
 Tom Erik Klaveness, Oslo
 Abraham Odjell, Bergen
 Torleif M. Pedersen, Grimstad
 Herlof Sørensen, Arendal
 H.P. Westfal-Larsen, Bergen
 John H. Wiik, Bergen
 Bernt Aaby, Oslo
 Torleiv Aaslestad, Oslo

MEMBER APPOINTED BY

THE FEDERATION OF MUTUAL MARINE INSURANCE CLUBS

Sigbjørn Røren, Ålesund

MEMBER APPOINTED BY

THE MUTUAL PROTECTION AND INDEMNITY CLUBS

Håvar Poulsson, Oslo

MEMBERS APPOINTED BY

THE ASSOCIATION OF NORWEGIAN INSURANCE COMPANIES

Lars Austin, Oslo
 Rolf L. Berentzen, Oslo
 Christian Hesselmann, Bergen
 Morten Hjemsæter, Oslo
 Gunnar von Krogh, Oslo
 Bjarne Krokeide, Oslo
 Oddvar Kvan, Oslo
 Jan Lenborg, Oslo
 Anne-Lise Løfsgaard, Oslo
 Per Arne Myklebost, Oslo
 Gunn Ovesen, Oslo
 Nicolas Wilmot, Bergen

MEMBERS APPOINTED BY

THE CONFEDERATION OF NORWEGIAN BUSINESS AND INDUSTRY

Svein Eggen, Oslo
 Karl Glad, Oslo
 Asbjørn Larsen, Sandvika
 Diderik Schnitler, Oslo
 Svein Aaser, Oslo

MEMBERS APPOINTED BY THE COUNCIL

Gøran Ahlstrøm, Malmø
 Hans Terje Anonsen, Bergen
 Erik Behn, Copenhagen
 Ronald Bergman, Stockholm
 Aage Ditlev-Simonsen, Oslo
 Hans G. Forsberg, Stockholm

Nicholas Hambro, Oslo
 Jens P. Heyerdahl d.y., Oslo
 Cato A. Holmsen, Oslo
 Westye Høegh, Oslo
 John S. Jennings, London
 Einar Kloster, Oslo
 Ole-Jacob Libæk, Oslo
 Fridtjof Lorentzen, Oslo
 Jan Lunde, Arendal
 Leif Terje Løddesøl, Oslo
 Ole Melberg, Stavanger
 Egil Myklebust, Oslo
 Harald Norvik, Stavanger
 Anette Olsen, Oslo
 Dan Sten Olsson, Gothenburg
 Martin Saarikangas, Åbo
 Jens Ulltveit-Moe, Oslo
 Bjarne Aamodt, Oslo

MEMBERS ELECTED BY AND FROM DNV'S

EMPLOYEES

Jørgen E. Breivik
 Eva Halvorsen
 Ole Kristian Lunde
 Arne Skaven
 Terje Skreien
 Øyvind Wilhelmsen

■ THE BOARD OF DIRECTORS

CHAIRMAN

Wilhelm Wilhelmsen, Oslo

VICE-CHAIRMAN

Håkon Løchen, Oslo

MEMBERS

Morten Sig. Bergesen, Oslo
 John G. Bernander, Arendal
 Johan Fr. Odjell, Bergen
 Torvild Aakvaag, Oslo
 Øystein Erland, Oslo
 Trude Helgesen, Oslo
 Marit Olsen Torset, Oslo

■ THE CONTROL COMMITTEE

CHAIRMAN

Håvar Poulsson, Oslo

MEMBERS

Oddvar Kvan, Oslo
 Jan Lunde, Arendal

■ THE NORDIC COMMITTEE FOR SAFETY AT SEA

CHAIRMAN

Terje Gløersen, Norges Rederiforbund, Oslo

SECRETARY

Wilhelm Magelssen, Det Norske Veritas

DENMARK

Torben Munk, Knud I. Larsen I/S, Vedbæk
 Hans Henrik Petersen, Danmarks Rederiforening, Copenhagen

Hans C. Christensen, Søfartsstyrelsen, Copenhagen

Finn Hørup Nielsen, Ørskov Christensens
 Staalskibsværft A/S, Fredrikshavn
 Jens Viskinge Jensen, Danyard A/S, Fredrikshavn
 Ole Høg, A.P. Møller, Copenhagen
 Frede Kristiansen, DFDS A/S, Copenhagen
 Preben Terndrup Pedersen, Danmarks Tekniske
 Højskole, Lyngby
 Peer Bardenfleth-Hansen, Det Østasiatiske Kom-
 pagni A/S, Copenhagen
 Knud Prytz, Danske Statsbaner, Copenhagen
 Niels Christiansen, Dampskibsselskapet Torm A/S,
 Copenhagen
 Jens Kasten, Mols-Linien, Ebeltoft
 Carl-Erik Egeberg, Man B&W Diesel
 Niels Prip, Carl Bro AS

FINLAND

Bengt Hellsten, Lundquist Rederierna, Marie-
 hamn
 Yngve Röblom, Alandia Tanker Company Ltd,
 Mariehamn
 Heikki Valkonen, Sjöfartsstyrelsen, Helsinki
 Kaj Liljestrand, Kværner Masa Yards Inc., Helsinki
 Timo Korhonen, Neste OY Shipping, Esbo
 Esko Mustamäki, FG Shipping, Helsinki
 Erik Skogström, Finnyards Ltd, Rauma
 Kaj Viking Jansson, Viking Line AB

ICELAND

Hermann Gudjonsson, State Directorate of Ship-
 ping, Reykjavik
 Einar Hermansson, Icelandic Shipowners Associa-
 tion, Reykjavik

NORWAY

Sigmund Borgundvåg, Ulstein Internat. A/S,
 Ulsteinvik
 Årstein Jernæs, Einar Rasmussen A/S, Kristian-
 sand
 Hans Kristian Øvstaas, Sig. Bergesen d.y. & Co.,
 Oslo
 Tellef Høgevoid, Andreas Uglands Holding AS,
 Grimstad
 Ivar A. Manum, Sjøfartsdirektoratet, Oslo
 Arnold Hansen, Marintek AS, Trondheim
 Hans Høydal, Ulsteinvik
 Lars Traaseth, Kværner a/s, Oslo
 Arne H. Hansen, Norsk Sjøoffisersforbund, Oslo
 Terje Andersen, Farstad Shipping AS, Ålesund
 Geir Kilhus, Sjøforsvarets Forsyningskommando,
 Haakonsværn
 Henrik Lian, Jørgen Jahre Shipping A/S, Sande-
 fjord
 Tore Aasting, MINET A/S, Oslo
 Helge Haakonsen, Fred. Olsen & Co., Oslo
 Hans Richard Hansen, Westfleet Management AS,
 Fyllingsdalen
 Erik Bratvold, Norsk Sjømannsforbund, Oslo
 Frode Gross, Det Norske Maskinistforbund, Oslo
 Jan Chr. Stangeland, Westfal Larsen & Co. A/S,
 Bergen
 Johannes Tvedte, Leif Høegh & Co A/S, Oslo
 Jan Flatseth, Havtor Management, Oslo
 Niels C. Møller, Borgestad-Reim Shipping AS,
 Porsgrunn

Trygve Nordby, Torvald Klaveness Group, Oslo
Trygve Seglem, Knutsen O.A.S. Shipping, Hauge-
sund

SWEDEN

Johan Fransson, Sjöfartsverket, Norrköping
Stig Bystedt, Stena Rederi AB, Gothenburg
Anders Ulfvarson, Chalmers Tekniska Högskola,
Gothenburg
Håkan Emtell, Trygg Hansa Forsäkring, Stock-
holm
Gøran Hammarberg, Argonaut AB, Stockholm
Ulf Alexandersson, Walleniusrederierna, Stock-
holm
Sten Crister Forsberg, Nordstrøm & Thulin, Stock-
holm
Nils Erik Wolff, The Swedish Club, Gothenburg
Clas Norrstrand, Marinteknik Design AB, Øre-
grund
Per Nordstrøm, Stena Line Ship Management AB,
Gothenburg
Nils Sjøkvist, ICB Shipping AB, Stockholm
Bengt Lundquist, Sea Technology AB, Saltsjøba-
den

THE JAPANESE TECHNICAL COMMITTEE

HONORARY CHAIRMAN

Yoshiyuki Yamamoto, Tokyo Denki University,
Tokyo

CHAIRMAN

Yukio Ueda, Osaka University, Osaka

VICE-CHAIRMAN

Yoichi Hattori, Kanazawa Institute of Technology,
Ishikawa

MEMBERS

Osamu Niho, Mitsui Engineering & Shipbuilding
Co. Ltd, Chiba
Kunifumi Hashimoto, Mitsubishi Heavy Industries
Ltd, Nagasaki
Yukihiro Sakajiri, Tsuneishi Shipbuilding Co. Ltd,
Hiroshima
Masatsugu Toyofuku, NKK Corporation, Tsu
Kozo Abe, Sumitomo Heavy Ind. Ltd, Oppama
Works, Yokosuka
Haruki Ohizumi, Kobe Steel Ltd, Kobe
Masahiro Sekihama, Hitachi Zosen Corporation,
Osaka
Hideomi Ohtsubo, Tokyo University, Tokyo
Toshihiko Funaki, Osaka University, Osaka
Masahiro Toyosada, Kyushu University, Fukuoka
City
Kazuo Watanabe, Nippon Steel Corporation, Tok-
yo
Tatsuaki Hori, Oshima Shipbuilding Co. Ltd,
Nagasaki
Hajime Murayama, Shin-Kurushima Dockyard Co.
Ltd, Ehime
Kunio Tsunoki, Sanoyas Hishino Meisho Corpora-
tion, Okayama
Tetsuya Yao, Hiroshima University, Hiroshima

Hisayoshi Yashima, Ishikawajima-Harima Heavy
Industries Co. Ltd, Tokyo
Henrik O. Madsen, Det Norske Veritas AS, Kobe
(secretary)

THE JAPANESE OWNERS TECHNICAL COMMITTEE

CHAIRMAN

Toshishige Yamana, Kusakabe Maritime Enginee-
ring Co. Ltd, Kobe

MEMBERS

Takeo Shimada, NYK Line, Tokyo
Yukio Yasuda, Kawasaki Kisen Kaisha, Ltd, Tokyo
Shigeto Yunoki, Naviteco Ltd, Tokyo
Hideaki Yuki, Showa Line Ltd, Tokyo
Makoto Taniguchi, Mitsui O.S.K. Lines, Tokyo
Henrik O. Madsen, Det Norske Veritas AS, Kobe
(secretary)

THE RIG OWNERS' COMMITTEE

MEMBERS

Larry Till, Atwood Oceanics Inc., Houston, USA
Yuan Guang Yu, Drilling Co. of Bohai Oil Corp.,
China
Ray Beardon, Chiles Offshore Corp., Houston,
USA
Øyvind Jordanger, Dolphin A/S, Tananger, Nor-
way
Olivier de Bonnafos, Forasol-Foramer, Villacou-
blay, France
Thomas C. Covellone, Global Marine Drilling Co.,
Houston, USA
Leif O. Aaker, Golar-Nor Offshore A/S, Trond-
heim, Norway
John M.F. Harrison, Houlder Offshore Ltd, Lon-
don, UK
Graham Cowperthwaite, KCA Drilling, Aberdeen,
Scotland
Finn G. Orbe, J. Lauritzen A/S, Copenhagen,
Denmark
Hu Jing-Hong, Nan Hai West Oil Corp, NHWOC,
China
Dick Brown, ENSCO Offshore Drilling Inc., Dallas,
USA
Nelson Stavali Malheiro, Petrobras, Rio de Janeiro,
Brazil
Årstein Jernæs, Rasmussen Offshore A/S, Kristian-
sand, Norway
Rod Allen, Reading & Bates Drilling Co., Houston,
USA
Mikael von Mentzer, Safe Service Ltd, Aberdeen,
UK
Franco Scolari, Saipem SpA, Milan, Italy
Charles N. Springett, Santa Fe Drilling Co., Dallas,
USA
Yves le Moign, Sedco Forex, Montrouge, France
Ketil Lenning, Smedvig Offshore, Stavanger, Nor-
way
Donald R. Ray, Transocean Offshore Drilling Inc.,
Houston, USA
Odd Brevik, Viking Supply Ships A/S, Kristian-
sand, Norway
Willem Honders, Workshop Contractors, BV, Rot-
terdam, The Netherlands

Jan Krokeide, Odfjell Drilling & Consulting Co.
AS, Kokstad, Norway
C. Van Diem, Workfox UK Limited, Yarmouth, UK
Carl Arne Carlsen, Det Norske Veritas AS, Oslo
(secretary)

THE HIGH SPEED AND LIGHT CRAFT COMMITTEE

CHAIRMAN

Tor-Christian Mathiesen, Det Norske Veritas AS,
Høvik

MEMBERS

Ivar Manum, Norwegian Maritime Directorate,
Oslo
Ivar Myklebost, Kværner Fjellstrand AS, Oma-
strand
Mats Johansson, KaMeWa AB, Kristinehamn
John Warbey, FBM Marine International Ltd,
Hong Kong
Jens Viskinge Jensen, Danyard A/S, Fredrikshavn
Karl Hamberg, Kvaerner - Masa Yard Inc., Helsinki
John Pawsey, Hart Fenton and Company Ltd, Lon-
don
Theo P. Winde, Royal Schelde, Vlissingen
Vincenzo Farinetti, Fincantieri, Trieste
Kenny Tham, Marinteknik International Ltd,
Hong Kong
Tsuneo Yoshiki, Mitsui Eng. & Shipbuilding Co.,
Ltd, Tokyo
Don Fry, NQEA (Australia) Ltd, Cairns
Phil Hercus, International Catamaran Design, Syd-
ney
Simon Pollard, P&O European Ferries Ltd, Dover
Andreas Kraus, Howaldtswerke-Deutsche Werft
AG, Kiel
John H. Phipps, Caterpillar Inc., Lafayette, India-
na
Robert Clifford, Incat Tasmania, Australia
Tony White, Condor Marine Services, UK
Terje Staalstrøm, Det Norske Veritas AS, Høvik
(secretary)

THE AUSTRALIAN COMMITTEE

CHAIRMAN

John Spiers, McIlwraith McEachern, North Sydney

VICE-CHAIRMAN

John Bicknell, C/- ANL Ltd, Melbourne

MEMBERS

Roland Hoy, Holyman Ltd, North Sydney NSW
Barry Lee, Tyco International Pty. Limited, Chats-
wood NSW
Trygve Amundsen, FRAM Marine, Collaroy NSW
Lawrence Doctors, University of Sydney, Naval
Architecture Section, Sydney NSW
Reg McNee, Tidewater Port Jackson Marine Pty.
Ltd, Abbotsford VIC.
Robert Clifford, Incat Tasmania, Australia
Paul Titus, Esso Australia Ltd, Southbank VIC.
Lance Hockridge, BHP Transport, Melbourne
VIC.

Ian Williams, Australian Maritime Safety Authority, Belconnen ACT
Michael Hines, The Shell Company of Australia Ltd, Melbourne VIC.
D. Webb, Howard Smith Ltd, Sydney NSW
David Sterrett, ASP Ship Management, Melbourne VIC.
John Rothwell, Austal Ships Pty. Ltd, Henderson WA
Brian Padman, West Pymble NSW
Peter Purcell, Department of Defence (Navy Office), Canberra ACT
Andrew Westwood, Det Norske Veritas, North Sydney NSW (secretary)

■ THE SOUTH AMERICAN COMMITTEE

CHAIRMAN

Erling S. Lorentzen, Lorentzen Empreendimentos S.A., Rio de Janeiro

MEMBERS

Eliezer Batista da Silva, Rio Doce Internacional, Rio de Janeiro
Pio Correa, Industrias Verolme-Ishibras S.A., Rio de Janeiro
Arthur João Donato, Industrias Reunidas Caneco S.A., Rio de Janeiro
Paulo Diederichsen Villares, Industrias Villares S.A., São Paulo
Haakon Lorentzen, Lorentzen Empreendimentos S.A., Rio de Janeiro
Ozires Silva, Dibraco Ltda., São Paulo
Reinaldo Conrad, Jaako Poyr Engenharta Ltda, São Paulo
Raymond Fales, Det Norske Veritas, Rio de Janeiro (secretary)

■ THE BRITISH COMMITTEE

CHAIRMAN

Richard Morris, United Kingdom Nirex Ltd, Oxfordshire

VICE-CHAIRMAN

Otto Norland, Otto Norland Ltd, London

MEMBERS

Gale Coles, Underwriter, East Sussex
John Speirs, Norsk Hydro (UK) Ltd, Middlesex
Peter Cowling, Wallem Limited, London
Alf Clausen, Worcester
Jeremy Ropner, Ropner PLC, Durham
Ray Thompson, University of Newcastle-Upon-Tyne, Newcastle
Roger B.C. Tyndall, Bowring Marine Ltd, London
Christopher E. Fay, Shell UK Ltd, London
Nicholas Barber, Buckinghamshire
Tom Backelin, Det Norske Veritas, London (secretary)

■ THE NORTH AMERICAN COMMITTEE

CHAIRMAN

Craig Stevenson, Jr., OMI Bulk Management Co., New York

VICE-CHAIRMAN

Fred G. Hansen, Fednav Limited, Montreal

MEMBERS

Dimitri Manthos, Admanthos Shipping Agency, Stamford, Conn.
Tom C. Ward, B.C. Ferries Corporation, Vancouver
Michael J. Hubbard, Canadian Coast Guard, Ottawa
John Kimble, Chevron Shipping Company, San Francisco
Fred W.Y. Cheng, Golden Ocean Agencies Limited, Vancouver
William O. Gray, Gray Maritime Company, Connecticut
Bud Streeter, Transport Canada, Ottawa
Michael Powell, Newport News Shipbuilding, Newport News
Dirk Langeveld, Sea-Land Service, Inc., Charlotte N.C.
Nils G. Nordh, Royal Caribbean Cruises Ltd, Miami
Otto Fritznier, Stolt Parcel Tankers Inc., Houston
James N. Hood, Teekay Shipping (Canada) Ltd, Vancouver
Martin de la Pena Orantes, Transportation Maritima Mexicana, Parques del Pedregal
James C. Card, U.S. Coast Guard Headquarters, Washington
Jordan Truchan, American President Lines, Ltd, Oakland
Paul D. Slavounos, Massachusetts Institute of Technology, Cambridge
Ioannis Kourmatzis, Det Norske Veritas, New Jersey (secretary)

■ THE GREEK COMMITTEE

CHAIRMAN

George P. Livanos, Ceres Hellenic Shipping, Piraeus

VICE-CHAIRMEN

Epaminondas G.E. Embiricos, Embiricos Shipbrokers Ltd, London
Christos Kanellakis, Anangel Shipping Ent. S.A., Piraeus

MEMBERS

Genie Adrianopoulos, Tropis Shipping Co. Ltd, London
Nic J. Cotzias, N. Cotzias (Shipping) Co. Ltd, Piraeus
Basil N.C. Embiricos, Coulouthros Ltd, London
Gregory B. Hadjieleftheriadis, Eletson Corp., Piraeus
Nicholas D. Inglestis, Frinton Shipbrokers Ltd, London
Stathes J. Kulukundis, Rethymnis & Kulukundis Ltd, London
Nikolas S. Lemos, N.S. Lemos & Co. Ltd, London
Zenon Mouskas, Zela Shipping Co. Ltd, London
Spyros M. Polemis, Seacrest Shipping Co. Ltd, London
Panagiotis N. Tsakos, Tsakos Shipping and Trading S.A., Athens

Theodoros Veniamis, Golden Union Shipping Co., Piraeus
Michael C. Lemos, C.M. Lemos & Co. Ltd, London
George J. Vardinoyannis, Varnima Corporation Int'l S.A., Maroussi
John Angelicoussis, Agelef Shipping Co., London
John Coustas, Danaos Shipping Co. Ltd, Piraeus
Harilaos N. Psarafitis, National Technical University of Athens, Kifissia
Spyros Karnassis, Elka Shipping (London) Ltd, London
John M. Lyras, Lyras Maritime Ltd, London
George Gratsos, Standard Bulk Transport Corp., Athens
Ulv Tigerstedt, Det Norske Veritas, Piraeus (secretary)

■ THE HONG KONG COMMITTEE

MEMBERS

S.Y. Chow, Wah Kwong Shipping Agency Co., Hong Kong
Danny Ho, International Maritime Carriers Ltd, Hong Kong
Robert Alexander Ho, Fairmont Shipping (HK) Ltd, Hong Kong
Michael S.N. Farlie, Hong Kong Shipowners Association Ltd, Hong Kong
Eric Koo, Valles Steamship Co. Ltd, Hong Kong
Kenneth Lo, Teh-Hu Cargocean Management Co. Ltd, Hong Kong
Peter Cremers, Anglo-Eastern Shipmanagement Ltd, Hong Kong
Eivind Grøstad, Det Norske Veritas, Hong Kong (secretary)

■ THE INDIAN COMMITTEE

CHAIRMAN

Kanaiyalal Maneklal Sheth, The Great Eastern Shipping Company Limited, Mumbai

MEMBERS

Noshir Hormusji Dhunjibhoy, Five Stars Shipping Co. Ltd, Mumbai
Michael Philips Pinto, Directorate General of Shipping, Mumbai
Nirbhay Mal Jain, Century Shipping, Mumbai
Narain Hemandas Sadarangani, Jayshree Shipping, Mumbai
Arun Mehta, Varun Shipping Co. Ltd, Mumbai
Ravi Kant Ruia, Essar Gujarat Ltd, Mumbai
Revanur Radhakrishna, Pearl Ships Ltd, Madras
Deepak Laxmanrao Chowgule, Chowgule Steamship Company Ltd, Mumbai
Raymond Lawrence Pai, Reliance Petrochemicals Ltd, Mumbai
Nair Sukumaran, Larsen & Toubro Ltd, Mumbai
Srikantan Ramanathan Vishwanathan, Tolani Shipping Co. Ltd, Madras
Krishnamurthy Shenbagaraman, National Insurance Academy, Pune
Willem Toose, Det Norske Veritas, Mumbai (secretary)

THE KOREAN COMMITTEE

CHAIRMAN

Park, Se-Yong, Hyundai Merchant Marine Co., Seoul

HONORARY CHAIRMAN

Wang, Sang Eun, Hyopsung Shipping Corp., Seoul

MEMBERS

Hong, Soon Ick, Samsung Heavy Industry Co., Seoul

Choi, Byung Kwon, Halla Eng. & Heavy Industry Co.

Hwang, Sung Hyuk, Hwang & Co., Seoul

Kim, Kap Jung, Keoyang Shipping Co. Ltd, Seoul

Kim, Kook Ho, Daewoo Heavy Industry Co., Seoul

Lee, Jung Nam, Hyundai Heavy Industry Co. Ltd, Ulsan

Lee, Seung Gwon, Yukong Line Ltd, Seoul

Lee, Woo Shik, Hanjin Heavy Industry Co. Ltd, Pusan

Park, Kap Yong, Hoyu Tanker Co., Ltd, Seoul

Song, Ki Won, Korea Line Corporation, Seoul

Yoo Myung, Mu, Pan Ocean Shipping Co., Seoul

Lee, Jung Il, Hyundai Mipo Dockyard Co. Ltd, Ulsan

Lee, Chong Yong, Halla Merchant Marine Co., Seoul

Ragnar E. Hansen, Det Norske Veritas, Seoul (secretary)

THE SOUTH EAST ASIA COMMITTEE

CHAIRMAN

Ariffin Alias, Malaysia International Shipping

Corp., Malaysia

MEMBERS

Choo Chiau Beng, Far East Livingston Shipbuilding Ltd, Singapore

Idan Ofer, Tanker Pacific Management (Singapore) Pte. Ltd, Singapore

Tan Mong Seng, Sembawang Shipyard Limited, Singapore

Teo Cho Keng, Pacific International Lines, Singapore

Chok Jimmy Kon Phin, Sabah Shipyard Sdn Bhd, Malaysia

Suleman Ir. Wiriadidjaja, Badan Pengkajian Dan Penerapan Teknologi, Indonesia

Sumate Tanthuanit, Ngow Hock Agency Co. Ltd, Thailand

Loh Wing Siew, Keppel Corporation Ltd, Singapore

Sufian Y. Bhg Dato Ahmad, Essmarine Agencies Sdn Bhd, Malaysia

Tor E. Svensen, Det Norske Veritas, Singapore (secretary)

Certification Advisory Boards

Chairmen and members of the advisory boards of the DNV certification units holding accreditations from national accreditation bodies

AUSTRALIA

CHAIRMAN

Andrew Westwood, DNV RANZ

MEMBERS

Michael Clarke, DNV RANZ

John Kouthouris, DNV RANZ

Ken Holmes, Golder & Associates

Dietrich Schulze, Aymroad Pty Ltd

Shan Ruprai, Sydney Water

Barry Lee, Tyco Laboratories

William Birch, NZ Chemical Ind.

Council

Malcolm Beavis, Capral Aluminium

AUSTRIA

CHAIRMAN

Kurt Obleser, Interessenverbandes des Medizinisch-Technischen Fachhandels

MEMBERS

Günther Hampejs, VA Austria Draht

Anton Wandl, Römerquelle GmbH

Mag. Schulze Bauer, Verbandes

Österreichischer Entsorgungsbetriebe

Konrad Zimmermann, Vereins Österreichischer Chemieingenieure und

Chemotechniker

Franz Harrand, Wirtschaftstreuhänder

Peter Rosmanith, Technischen Prüf-

anstalt (TPA)

Ludvig Wozak, Zivilingenieur

Gudmundur Sigurthorsson, DNV Essen

BRAZIL

MEMBERS

Carlos Roberto Frambach, Brazilian Navy

Carlos Rodrigues Pereira Belchior,

Rio de Janeiro University

Agenor Cesar Leite, State Engineering Union

DENMARK

CHAIRMAN

Bjørn Pedersen, DNV Denmark AS

MEMBERS

Jan C. Schmidt, DNV Denmark AS

Anders Buchwald, as Icopal

Troels Andersen, Det Danske Stålværk

Bent Frank, Forsvarets Bygningstjeneste

Poul Thøgersen, Odense Staalskibsverft

Torben Jul Jensen, Aalborg Universitets Center

Erik Svaneborg, Indkøbs Service A/S

FINLAND

CHAIRMAN

Jouko Nevala, DNV Finland

MEMBERS

Timo Hannukainen, Nokia Mobile Phones

Jorma Veräjänkorva, Valmet Corp.

Erkki Strengell, Finnyards Oy

Kari Laaksonen, Finnish Forest

Industries Federation

Veijo Merikalla, Rautaruukki Group
Peter Rehnström, The Finnish Work Environment Fund
Heikki Sipilä, ENSO Fine Papers Ltd.
Pekka Mäkelä, Valmet Automotive Inc.

FRANCE

CHAIRMAN

Bruno Flahou, Sollac

MEMBERS

Claude Bayard, Alcatel Cables

Pierre Bescond, World Space France

Guy Viala, GTM Entrepouse

Marc Teinturier, UTC Département

Génie Mécanique

Jacques Mangon, CRIT Interim Rhf

Paul de Backer, Cabinet de Backer

GERMANY

CHAIRMAN

Peter Fratz

MEMBERS

Reinhold Beckmann, Renk AG Werk

Rheine

Christian Weikl, Air Products

Heinz Oppers, Europipe

Detlef Fischer, Mannesmann Handel

Frank Samuels, Thyssen Stahlunion

Norbert Manderla

Michael Marggraf, Deutsche Shell

ITALY

CHAIRMAN

Giovanni Florio, FS Istituto Sperimentale

MEMBERS

Alfredo De Vito, Dalmine

Roberto Ruggeri, ABB Industria
Andrea Forzoni, AGIP
Liulio Antonelli, AIDIC
Giorgio Bonifazi Razzanti, AIPAS (FITA)
Giuseppe Nardoni, AIPnD
Giorgio Albertini, Albertini
Sandro Benini, ANIE
Antonio Gloria, Ansaldo Trasporti
Andrea Maserati, Assintel
Massimo Medugno, Assocarta
Fabio Bertolotti, Assogomma
Marco Cattabiani, Confetra (Fagioli)
Alfredo Buda, Federacciai (Lucchini)
Guido Mesolella, Federlazio un. Tesile
Andrea di Martino, Ferrari
Giovanni Siffredi, Fincantieri (Cetena)
Gianfranco Angelini, Finsiel
Giovanni Treviso, FITA
Ennio Prandi, Gruppo Italiano Vini
Alessandro Verdelli, OICE (Snamprogetti)
Fabio Galbiati, UNI
Claudio Lanzi, UIR

KOREA

CHAIRMAN

Young-Ho Kim, DNV

MEMBERS

Hun-Sik Shin, Kumho EQS Consulting

Young-Ki Eun, Daewoo Heavy Ind.

Gun-Ho Cha, Hankook Aviation University

Duk-Young Yang, Hanwha Chemical

Jong-In Hong, Neville Clarke

Jong-Sup Kim, Samjin Consulting, Inc.
Chul-Hee Han, DNV Korea

■ THE NETHERLANDS

MEMBERS

Paul van de Heuvel, Grootint B.V.
Ton Sloos
Aljen Postma, Servo Delden B.V.
Bert Lieverse, N.V.O.B.
Olga Schaver, Jonker Veendam
Bert Boecxstael, Inducare B.V.
Gerrit Langelaar, Smit International
Geert Vansteenkiste, SA Logica NV
Ad Vos, GE Plastics
Pierre Spee, KNP Fine Paper B.V.
Geka Brouwer, Ten Cate Nicolon B.V.
Gert-Jan Koudijs, N.V. Vereenigde Glasfabrieken
Jo Box, AXUM
Sjors Beerendonk, NEVAT
Ton van Alphen, Landelijke Vereniging voor Thuiszorg

■ NORWAY

CHAIRMAN

Ingvar Vaarlund, Ericsson AS

MEMBERS

Arvid Bastiansen, Hydro Aluminium Karmøy
Leif Iversen, Det Norske Veritas AS
Torgeir Salberg, Bøndernes Salgslag
Audun Sæbø, Frank Mohn Flatøy AS
Ørnulf Tvedt, Den norske Bank AS

■ SPAIN

MEMBERS

José C. González-Sama Asenjo, AESA
Marta González Corro, Hotel Arts
Carlos Prada Oliveros, Lucta, S.A.
Antoni Boleda i Roura, RACC
Joan Solà Anadón, S.A.E. de Relaciones Públicas RP
Jorge Esteller Bel, SEFES
Julio Sardaña de la Cita, Texaco
Petrolífera
Buenaventura Guamis López, Universidad Autónoma de Barcelona
Luis Cañada Vicinay, Vicinay

Alberto Palomar Olmeda, Ministerio de la Presidencia
Luis Gutiérrez de Soto Gancedo, DNV
Ivo Kvesic, DNV

■ SWEDEN

CHAIRMAN

Jens-Jørgen Brunsvik

MEMBERS

Jahn Henry Løvaas, DNV Sweden
Carl-Johan Österberg, Trygg Hansa
Magnus Olin, Pharmacia UpJohn
Lars Brynielsson, SAS
Thor Mueller, Vattenfall AB, Ringhals
Börge Österholm, Posten Brev
Göran Löfgren, Scania CV

■ SWITZERLAND

MEMBERS

Manfred Brugger, ABB Turbo Systems
Peter Büchler, Messtechnik
Peter Häfeli, Aargauer Zentralmolkerei

Primo Ponti, Alcatel STR
Cornel Wegmann, Züllig

■ UK

CHAIRMAN

Peter Rodholm, DNV UK

MEMBERS

Michael Cullen, Independent
Michael Forrester, Logica
Stephen Tupper, Hammond Sud-dords
Kelvin Carlton (Company Secretary)

■ USA

CHAIRMAN

Allan Small, Cooper Industries

MEMBERS

Ted Mercer, Reed Tool
Bob Maddocks, Lockheed Aerospace
Jim Hudson, Bechtel
Larry Montano, Chevron Chemical
Paul Donnelly, Kent Electronics
Raymond Colley, United Technologies
Dawne Schomer, Texas Instruments

Officers of Det Norske Veritas

■ EXECUTIVE BOARD

Sven Ullring,
CEO and Chairman of the Executive Board
Stein Thor Verle,
Vice Chairman of the Executive Board
Miklos Konkoly-Thege
Tor-Christian Mathiesen
Peter Rodholm
Terje Staalstrøm
Helge Dag Tangen
Tom Virik
Bjørn Weibye
Jens Henrik Wergeland

■ SENIOR VICE PRESIDENTS

Arne Haavardtun
Ole-Andreas Hafnor
Leif Iversen
Trygve Røed Larsen
Sven Ingvar Lilja
Eivald M.Q. Røren
Gudmundur Sigurthorsson
Amund W. Skou
Svein Svarstad
Hans Viig

■ VICE PRESIDENTS

Torolf Aadnesen
Per Otto Araldsen
Pål Gudmund Bergan
Carl Arne Carlsen
Lawrence R. Crawford
Aage Andreas Enghaug
Haakon Eriksen
Ragnar E. Hansen
Jan Einar Horne
Tore Høifødt
Kåre Kristoffersen
Henrik O. Madsen
Wilhelm Christian Magelssen

Ivar Nestaas
Jouko Nevala
Egil Olbjørn
Odd Arvid Olsen
Eric Douglas Pape
Bjørn Dagfinn Pedersen
Magne A. Røe
Ola Ramton
Gunnar Rostad
Ulv Robert Tigerstedt
Odd Gunnar Tonby
Odd Per Torset
Einar Olav Venold

■ DET NORSKE VERITAS ANNUAL REPORT 1996

Published and edited by DNV Corporate Communications
Produced by Det Norske Veritas Text Centre
Design: Burson Marsteller as
Printed by Gan Grafisk

■ PHOTO CREDITS

Knut Vadseth: pp. 3, 6, 10, 11, 12, 13, 14, 15, 17,
18, 19, 20, 21, 25, 26, 27, 29, 33
Tony Stone Images: p. 5
Ferrari: p. 28

■ CORPORATE HEADQUARTERS

Høvik (Oslo)

Veritasveien 1, N-1322 Høvik, Norway
Tel: +47 67 57 99 00
Tlx: 76192

DIVISIONAL OFFICES

■ DIVISION AMERICAS

New Jersey

70 Grand Avenue, River Edge, New Jersey 07661, USA
Tel: +1 201 343 0800
Fax numbers:
General: +1 201 343 4061
Maritime Services:
+1 201 343 4061
Certification: +1 201 343 4061
Reg. Mgmt: +1 201 488 1778
Finance: +1 201 488 1778
Human Resource:
+1 201 488 0884

■ DIVISION ASIA PACIFIC

Singapore

DNV Technology Centre, 10 Science Park Drive, Singapore 118224
Tel: +65 774 0722/779 1266 (24 hours)
Fax: +65 777 1224
Tlx: 33681 Dnv Rs
Telegr: Norskverit Singapore

■ DIVISION EUROPE AND AFRICA

London

Palace House, 3 Cathedral Street, London SE1 9DE, UK
Tel: +44 171 357 6080
Fax: +44 171 357 7991

■ DIVISION NORDIC COUNTRIES

Høvik (Oslo)

Veritasveien 1, N-1322 Høvik, Norway
Tel: +47 67 57 99 00
Fax: +47 67 57 74 74

■ DIVISION TECHNOLOGY AND PRODUCTS

Høvik (Oslo)

Veritasveien 1, N-1322 Høvik, Norway
Tel: +47 67 57 99 00
Fax: +47 67 57 99 11

REGIONAL OFFICES

Bergen

Region Norway
Nygårdsgt. 114, N-5008 Bergen, P.O.Box 4253 Nygårdstangen, N-5028 Bergen, Norway
Tel: +47 55 21 50 00
Fax: +47 55 21 51 21

Copenhagen

Region Denmark
Nyhavn 16, DK-1051 Copenhagen K, P.O.Box 1589, DK-1051 Copenhagen K, Denmark
Tel: +45 33 91 18 00
direct: +45 33 91 18 22 ext.
Fax: +45 33 91 18 01

Dubai

Region Middle East
Jumeirah, Dubai, United Arab Emirates, P.O.Box 11539, Jumeirah, Dubai
Tel: +971 4 526626
Fax: +971 4 520524
Tlx: 47108 Norve Em

Essen

Region Germany and Central Europe
Businesspark Essen - Nord, Schnieringshof 10, 45329 Essen, Germany
Tel: +49 201 834 500
Fax: +49 201 834 5013

Gothenburg

Region West Baltic
Lilla Bommen 1, S-411 04 Gothenburg, Sweden
Tel: +46 31 771 2600
Fax: +46 31 15 51 60
Telegr: Noritas

Helsinki

Region East Baltic
Nahkahousuntie 3, FIN-00210 Helsingfors (Skinnbyxvägen 3), Finland
Tel: +358 9 681 691
Fax: +358 9 692 6827
Tlx: 121258 Norsk Fin

Hong Kong

Region Greater China
Room 2508, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong
Tel: +852 2 865 3332
Fax: +852 2 865 3513
Tlx: 67930 Dnvhk Hx
Address from June 1, 1997:
Room 3204, Tower I, Admiralty Centre, 18 Harcourt Road, Hong Kong

Houston

Region USA West and Mexico
16340 Park Ten Place, Suite 100, Houston, Texas 77084-5143, USA

Tel: +1 281 721 6600
+1 281 721 6998 (night line)
Fax: +1 281 721 6900 (mail room)
Tlx: 166310 (Norveritas Hou)
Fax numbers:
Regional Manager & Financial Manager: +1 281 721 6901
Human Resources Dept: +1 281 721 6905
Maritime: +1 281 721 6907
Offshore: +1 281 721 6907

Kobe

Region Japan
Sannomiya Chuo Bldg., 9th floor, 2-20, Goko-Dori 4-Chome, Chuo-Ku, Kobe 651, Japan
Port P.O.Box 775, Kobe 651-01
Tel: +81 78 291 1301
Regional Manager tel: +81 78 291 1302
Fax: +81 78 291 1309
Tlx: 5622 450 Verita J
Telegr: Norskverit Kobe

London

Region Great Britain and Ireland
Palace House, 3 Cathedral Street, London SE1 9DE, UK
Tel: +44 171 357 6080
Fax: +44 171 357 7991

Madrid

Region Iberia and West Africa
Campus Empresarial Jose M. de Churrua, Edificio III, C/Almansa, 105-1, Pta. Oficina 2, 28040 Madrid, Spain
Tel: +34 1 456 16 00
Fax: +34 1 456 15 99

Mumbai

Region India
96/98, 9th floor, Maker Tower 'F', Cuffe Parade, Mumbai 400 005, India
Tel: +91 22 218 5614/7107/1080/1081
Fax: +91 22 218 9452

New Jersey

Region East USA, Canada and Caribbean
70 Grand Avenue, River Edge, New Jersey 07661, USA
Tel: +1 201 343 0800
Fax numbers:
General: +1 201 343 4061
Maritime Services:
+1 201 343 4061
Certification: +1 201 343 4061
Reg. Mgmt: +1 201 488 1778
Finance: +1 201 488 1778
Human Resource:
+1 201 488 0884

Paris

Region Mid Mediterranean
10 Rue Lionel Terray, 92508 Rueil Malmaison, Paris, France
Tel: +33 (0)1 47 08 92 06
Fax: +33 (0)1 47 08 42 94

Piraeus

Region East Mediterranean and Black Sea
26-28 Akti Kondyli, Piraeus 185 45, P.O.Box 80 199, Piraeus 185 45, Greece
Tel: +30 1 42 24 120/1/2 - 422 6707
Fax: +30 1 42 23 059
Tlx: 212804 Nors Gr

Rio de Janeiro

Region South America
Rua Sete de Setembro, 55 - 15/17 floors, CEP 20050-004, Rio de Janeiro RJ, P.O.Box 286, Brazil
Tel: +55 21 224 8817
Fax: +55 21 221 8758
E-mail: RIO

Rotterdam

Region Benelux
Haastrechtstraat 7, 3079 DC Rotterdam, P.O.Box 9599, 3007 An Rotterdam, The Netherlands
Tel: +31 10 2922 600
weekend: +31 10 2922 604
Fax: +31 10 4797 141
Tlx: 22499

Seoul

Region Korea
Room 2110, Kyobo Bldg., 1, 1-Ka, Jongro, Jongro-Ku, Seoul (110-121), Korea
K.P.O. Box 1887, Seoul (110-618)
Tel: +82 2 734 7327
Fax: +82 2 739 9069
Tlx: 25300 Verit K

Singapore

Region South East Asia
DNV Technology Centre, 10 Science Park Drive, Singapore 118224
Tel: +65 774 0722/779 1266 (24 hours)
Fax: +65 777 1224
Tlx: 33681 Dnv Rs
Telegr: Norskverit Singapore

Sydney

Region Australia and New Zealand
Level 19, Northpoint, 100 Miller Street, North Sydney NSW 2060, Australia
Tel: +61 2 9922 1966
Fax: +61 2 9929 8792
Tlx: Dnv Aa 26447
Telegr: Noritas, Sydney, N.S.W.

DNV INTERNET HOME PAGE

<http://www.dnv.com>



DET NORSKE VERITAS

VERITASVEIEN 1, N-1322 HØVIK, NORWAY
TEL: +47 67 57 99 00

Det Norske Veritas

Table of Contents

Overview

Summary 1996

Key figures

Report of the Board of Directors

Income Statement

Balance Sheet

Cash Flow Analysis

Notes

Shareholders Policy

1996
Annual Report

Worldwide
Opportunities



DET NORSKE VERITAS

Ar rapport CD

HUGIN

<http://hugin.sol.no>

industry

Bank / insurance

Industry

Shipping