

Changes in the portfolio in 1996

Norsk Vekst added a number of promising new investments to its portfolio during 1996. Although the dealflow was good, the market conditions during the year made it appropriate to focus on realization of the results of previous years' work. Significant companies in the portfolio reached a maturity which made it natural for Norsk Vekst to exit, and the ownership interests were sold at prices which represented significant profits. Over the past four years Norsk Vekst has obtained an average annual return of 32%*) on the capital invested in portfolio companies projects. The significant changes in the Norsk Vekst portfolio are summarised below.

New portfolio companies in 1996



AS Aalesundfisk

Aalesundfisk is a traditional fishery company engaged in fish farming, production and trading. The company supplies a total range of sea food products, and has operations in Norway, Denmark and France. The company's major market is Europe, but the USA, South America and the Far East are also of importance. Norsk Vekst's involvement will serve to strengthen the company's capital base and focus on strategic direction: the objective is to position the company to benefit from the imminent structural changes in this industry.

Amount invested:	NOK 30.4 million
Norsk Vekst's interest:	33.3 percent
1996 turnover:	NOK 385 million



Synnøve Finden Meierier AS

Synnøve Finden Meierier produces a well known range of branded Norwegian speciality cheeses. The new product «Synnøve Gulost» introduced after the opening of a new and modern creamery in Alvdal in June last year has proved to be a significant success, offering high quality at a competitive price. Synnøve Finden Meierier is now well established as one of the major new competitors in a market where the farmers' co-operatives have so far had a near-monopoly position.

Amount invested:	NOK 8 million
Norsk Vekst's interest:	41.3 percent
1996 turnover:	NOK 43 million



Powel Data AS

The company is by Nordic Standards a dominant player in the market for developing and implementing software for electricity producers and distributors. Major products include analytical tools for distribution networks and turn-key solutions for optimising distribution from generation plant through to the end user. Software for the growing market of trading in power generation capacity is a new and interesting product area.

Amount invested:	NOK 10 million
Norsk Vekst's interest:	40.6 percent
1996 turnover:	NOK 15 million

Investment disposals 1996

NODECO AS

Received from sale of

equity interest:	NOK 143.5 million
Gain on sale:	NOK 115 million

IDÉ SKEIDAR AS

Received from sale of

equity interest:	NOK 150 million
Gain on sale:	NOK 70 million

FALKEN AS

Received from sale of

equity interest:	NOK 55.5 million
Gain on sale:	NOK 31.5 million

KALDNES EIENDOM

Received from sale of

equity interest:	NOK 40.7 million
Gain on sale:	NOK 19.2 million

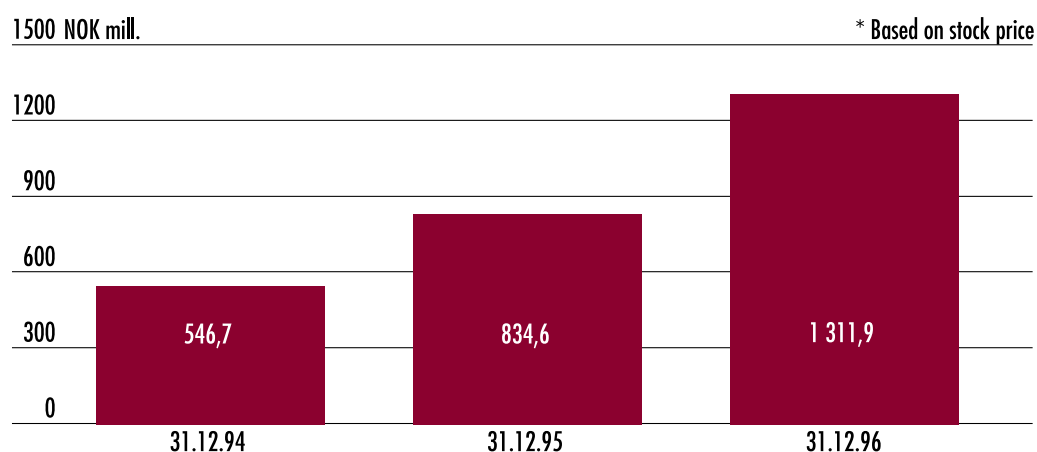
* See definitions key figures page 18

Main Figures

Main figures from the accounts

AMOUNTS IN NOK MILL.	1996	1995	1994	1993
Operating revenues	242.9	81.5	101.4	118.9
Operating profit	213.9	56.0	62.7	60.7
Net financial result	9.1	28.4	13.8	29.1
Profit after tax	181.5	84.3	76.5	75.7
Dividend	114.0	67.3	61.3	-
Earnings per share (NOK)	27.20	12.65	12.54	12.62
Dividend per share (NOK)	17.10	10.10	9.20	-
Book equity per share at 31.12 (NOK)	107.55	97.45	97.25	100.78

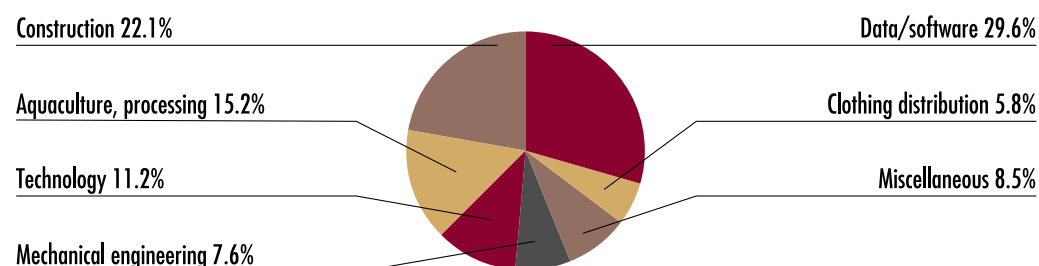
Increase in market value development (incl. accumulated dividend)*



Asset distribution per 31.12.



Business distribution per 31 December



Investment portfolio per 31.12.

	INTEREST (%)	COST PRICE (NOK MILL)	SECTOR
Selmer	15.55	91,234	Construction
Merkantildata	10.00	46,869	Information technology
A/S EDB	45.59	37,500	Information technology
Kaldnes Heavy Lift Trucks	100.00	31,500	Heavy lift truck production
ELVA-FDF as	35.00	31,457	Induction technology
Aalesundfisk	33.34	30,364	Fish processing and distribution
Framnæs Engineering	100.00	27,997	Offshore engineering
Pan Fish	21.43	24,375	Fish farming
Scandinavian Retail Group	7.74	23,839	Clothing distribution
MaXware	46.44	17,540	Software
CorrOcean	33.77	15,000	Instrumentation
Powel Data	40.63	9,880	Software
Synnøve Finden Meierier	41.30	8,013	Dairy products
Cogen	60.00	7,080	Energy production
OTHERS			
Intra Media	17.50	10,000	Digital communication
Multimedia Norge	40.00	0,500	Software
Total investment portfolio		413,148	

This is Norsk Vekst

Norsk Vekst is a listed investment company which provides equity capital, expertise and business network for the development of industrial, trading and service companies which have a significant potential for growth and profitability. Norsk Vekst has a share capital of NOK 717 million and manages assets of almost NOK 1 billion.



The management of Norsk Vekst; from left: Jarle Gundersen, Lars A. Grinde, Øyvind Aasbø and Trond Bjørnøy.

Norsk Vekst has gained experience from a broad range of businesses and processes, and through its investments has enabled a number of companies to achieve improvements in their financial resources and management skills. Norsk Vekst's involvement has assisted companies to make the right strategic decisions and has played a key role in mergers, acquisitions and restructurings.

Norsk Vekst has focused on industrial and trading companies, and concentrating on companies which has a competitive advantage in their technology, market position or management skills and which offer significant potential for development, preferably in growing markets.

Investments typically range in size from NOK 25 million to NOK 100 million with an investment horizon of 3 - 5 years.

The goal is to contribute to a significant increase in the value of the portfolio companies. To obtain this, Norsk Vekst takes an active role

through its board representation and exercises considerable influence in strategic as well as other major decisions. Where necessary Norsk Vekst assists companies to recruit competent management, and can itself provide commercial and financial expertise. Norsk Vekst believes in partnership, and undertakes all its investments in co-operation and agreement with management and shareholders.

Funds which are not invested in portfolio companies are included in Norsk Vekst's financial investments, which consist mainly of good quality and liquid interest-bearing securities. Financial investments also include shares in former portfolio companies where the active ownership period has ended and the shares are liquid, and in addition from time to time includes industrial properties acquired from portfolio companies in connection with restructuring operations.

Report of the Board of Directors

THE YEAR 1996

- In 1996 Norsk Vekst realised gains totalling NOK 235.5 million from sales of the portfolio companies Nodeco AS, Falken AS, Idé Skeidar AS and of the Kaldnes industrial properties. The sales proceeds amounted to NOK 400.9 million for Norsk Vekst.
- Norsk Vekst invested a total of NOK 83.6 million in three new and existing portfolio companies.
- The market value of the Norsk Vekst share during 1996 increased considerably. The increase in value was 62.7% including dividend payment.
- The Board proposes a dividend of NOK 17.10 per share for 1996, totalling NOK 114.0 million. The yield was 12.6% based on the average share price during the year.
- The legal reserve in Norsk Vekst's accounts was NOK 117 million at year end, at which level it will be possible to distribute almost 100% of profits from 1997 onwards in accordance with the company's current dividend policy.

Results

Norsk Vekst recorded a profit before tax for 1996 of NOK 223.0 million against NOK 84.3 million in 1995. The profit for 1996 includes gains totalling NOK 235.5 million from the sale of interests in Nodeco AS, Falken AS, Idé Skeidar AS and of the Kaldnes industrial properties. The sales proceeds was NOK 400.9 million. At 31 December 1996 Norsk Vekst had unrealised gains on listed shares totalling NOK 221.7 million which are not shown as income in the accounts.

At 31 December 1996 the book value of the equity was NOK 717.1 million. Financial investments at 26 February 1997 totalled NOK 275.3 million divided between NOK 217.8 million in liquid assets, NOK 49.7 million in shares, and NOK 7.8 million in industrial properties taken over from portfolio companies.

The accounts have been prepared in accordance with the same principles as in 1995. In accordance with previous years' principles, consolidated accounts have not been prepared. Reference is made to the description of accounting principles in the notes to the accounts.

Investments in portfolio companies

There was a good inflow of new potential projects in 1996. The level of new investments was nonetheless lower than in 1996, due in part to attention being focused on the significant disposals which took place during the year. Norsk Vekst invested NOK 48.3 million in 1996 in the following new portfolio companies:

Synnøve Finden Meierier AS (8,0),
A/S Aalesundfisk (30,4) and Powel Data AS (9,9)

Investments in 1996 relate mainly to food production and processing, as well as further investments in the information technology sector and fisheries. In these sectors extensive structural changes are taking place which create attractive investment opportunities.

Norsk Vekst sold interests in portfolio companies and industrial buildings representing a total gain of NOK 235.5 million in 1996. Falken AS and Idé Skeidar AS were sold somewhat earlier than expected, having been held for approximately one year. These companies developed well during this period, and at the same time structural changes in their respective industries made changes in the ownership structure essential. Norsk Vekst disposed of its interests in these companies in agreement with the other owners thereby creating a new strategic platform from which the companies will be able to continue to develop.

Nodeco increased its annual turnover during the period of Norsk Vekst's ownership from NOK 30 million to NOK 190 million and took a significant market share in the market for down-hole oil well equipment in the North Sea. Further expansion had to come from new markets elsewhere in the world, as well as investing in new product areas. With this in mind Norsk Vekst investigated the possibility of a partnership with an international company. As a result of this process the shareholders of Nodeco AS received an offer for the entire company from the Houston

The Board of Directors of Norsk Vekst



Kåre Moe,
styreformann



Roar Arntzen



Christian Falck-Pedersen



Bernt J. Fossum

based company Weatherford Enterra. In Norsk Veksts opinion, this offer represented a good price for Nodeco's shareholders and the best way for the Nodeco group to continue its development.

The sale demonstrated that the company had particular strategic value, and Norsk Vekst played a positive role in making this apparent. Norsk Vekst achieved a very good return on its investment.

Other companies in the investment portfolio also progressed well in general during 1996. Amongst others Kaldnes Heavy Lift Trucks (KHLT) showed a positive development, particularly in the second half of the year after an operational and financial restructuring. The risks associated with the investment in KHLT has been greatly reduced during the past year.

Norsk Vekst is considering the possibility of a stock exchange listing for 2-4 of the companies in the investment portfolio during 1997, including CorrOcean and Pan Fish.

The Board of Directors considers the risk level in the aggregate investment portfolio to be very limited.

Organisation

Norsk Vekst had 9 employees at the end of 1996 and there were no changes during the year. Reference is made to note 10 regarding the remuneration of the company's directors, auditor and managing director.

The company's working environment and its interface with the external environment fulfil the requirements set by the authorities.

Shareholder matters

At 31 December 1996 the share register showed 792 shareholders holding a total of 6,666,667 shares.

The main shareholders are:

Shareholder	%
Norwegian State (Ministry of Industry and Energy)	33.59
Aksjefondet Avanse	5.68
Arendal Fossekompagni ASA	5.01
Hafslund Invest ASA	3.83
Norsk Hydro ASA	3.74
Others	48.15
TOTAL	100.00

At the same date 244,700 (3.67%) of the shares were registered to holders resident outside Norway.

The Norwegian state has informed that it intends to reduce its ownership interest in Norsk Vekst from the current 33.6% in connection with the establishment of a new venture capital fund. No timetable for the disposal has been given.

Turnover in the Norsk Vekst share increased during 1996. Shares traded during February 1997 at prices between NOK 220 and NOK 235 per share. Adjusted for the dividend paid in 1996 the present share price represents an increase in value of approximately 105% since the 31 December 1995.

In accordance with Norsk Vekst's dividend policy, 80% of the annual profit is to be distributed. However, due to account of the size of the profit for 1996 the Companies Act requires a larger allocation to legal reserve than this policy would allow. Based on the proposed application of profit for 1996 the legal reserve will grow to NOK 117.1 million at 31 December 1996. The Board of



Kaare M. Gisvold



Jon R. Gundersen



Kari Kveseth

Directors' proposes a dividend for 1996 of NOK 114.0 million, equivalent to NOK 17.10 per share. After the allocation for this dividend the value of the book equity per share of the company was NOK 107.6 at 31 December 1996.

Prospects for 1997

Norsk Vekst has significant funds available for new investments in 1997. A high level of investment activity is expected for the current year. Providers of equity capital have shown an increased interest in unlisted companies, and increased competition is expected for new projects. Norsk Vekst's good market position, its well developed investment concept and its considerable experience indicates that Norsk Vekst can expect to do well in the competition for new projects.

Norsk Vekst intends to give more consideration to investment projects with a Nordic dimension, although Norway will continue to be the primary market for new investments.

Application of profit

Norsk Vekst has a profit for 1996 of NOK 181.461 million after tax.

The Board of Directors proposes to the Annual General Meeting the following allocations and transfers:

(figures in 000's):

Allocation to legal reserve	NOK	67,461
Dividend	NOK	114,000
TOTAL	NOK	181,461

Oslo, February 26 1997

Kåre Moe
Chairman

Roar Arntzen

Christian Falck-Pedersen

Bernt J. Fossum

Kaare M. Gisvold

Jon R. Gundersen

Kari Kveseth

Øyvind Aasbø
Managing Director

Profit and Loss Account

AMOUNTS IN NOK 1,000	NOTE	1996	1995
OPERATING REVENUES	1	242,878	81,459
OPERATING COSTS			
Salaries, social security, pension costs etc.	10	17,668	10,908
Other administration costs		6,493	9,111
Ordinary depreciation	3	3,260	3,777
Realised loss, portfolio companies		1,577	1,710
TOTAL OPERATING COSTS		28,998	25,506
OPERATING PROFIT		213,880	55,953
FINANCIAL INCOME AND COSTS			
Financial income		9,345	29,026
Financial costs		264	664
NET FINANCIAL ITEMS		9,081	28,362
PROFIT BEFORE TAX		222,961	84,315
Tax charge	6	41,500	-
PROFIT AFTER TAX		181,461	84,315
Application of profit:			
Proposal for allocations and transfers of the profit for the year:			
Dividend		114,000	67,333
Legal reserve		67,461	16,982
TOTAL ALLOCATED		181,461	84,315

Balance Sheet per 31 December

AMOUNTS IN NOK 1,000	NOTE	1996	1995
ASSETS			
CURRENT ASSETS:			
Cash, bank deposits and certificates	2	217,847	143,806
Shares	4	438,671	528,926
Short-term receivables	5	216,461	27,271
TOTAL CURRENT ASSETS		872,979	700,003
FIXED ASSETS:			
Long-term receivables	8	13,451	11,250
Other fixed assets	3	918	24,980
TOTAL FIXED ASSETS		14,369	36,230
TOTAL ASSETS		887,348	736,233
LIABILITIES AND EQUITY			
SHORT-TERM LIABILITIES:			
Dividend allocation		114,000	67,333
Trade debt		522	988
Payroll tax, social security etc.		12,634	6,599
Other short-term liabilities		1,571	11,378
Taxes	6	41,500	-
TOTAL SHORT-TERM LIABILITIES		170,227	86,298
TOTAL LONG-TERM LIABILITIES		-	275
EQUITY:			
Share capital		600,000	600,000
Legal reserve		117,121	49,660
TOTAL EQUITY	7	717,121	649,660
TOTAL LIABILITIES AND EQUITY		887,348	736,233
Guarantee liabilities	9		

Cash Flow Analysis

AMOUNTS IN NOK 1,000		1996	1995
CASH FLOW FROM OPERATING ACTIVITIES:			
A =	Provided from the year's activities (1)	255,140	(135,201)
CASH FLOW FROM INVESTMENT ACTIVITIES:			
+/-	Change in short-term/long-term receivables	(191,391)	(17,737)
-	Investments in fixed assets	(276)	(1,195)
+	Sale of fixed assets(sale price)	40,914	747
B =	NET cash flow from investment activities	(150,753)	(18,185)
CASH FLOW FROM FINANCING ACTIVITIES:			
+/-	Change in short-term debt	37,262	7,143
+/-	Change in long-term debt	(275)	(6,174)
	Dividend paid	(67,333)	(61,333)
+/-	Effect of merger and secondary offering	0	(15,716)
C =	NET cash flow from financing activities	(30,346)	(76,080)
A+B+C	NET CHANGE IN CASH DURING THE YEAR	74,041	(229,468)
+	Cash at 1 January	143,806	373,272
=	Cash at 31 December	217,847	143,806
(1)	PROVIDED FROM THE YEAR'S ACTIVITIES		
	Profit before tax	222,961	84,315
	Gain/(loss) on sale of fixed assets	(19,837)	(601)
	Change in shares in portfolio companies	90,256	(222,692)
	Provision for loss on portfolio companies	0	0
	Ordinary depreciation	3,260	3,777
	Tax payable	(41,500)	0
	Provided from the year's activities	255,140	(135,201)

Accounting Principles

The accounts have been prepared in accordance with generally accepted accounting principles in Norway. The accounting principles are unchanged in relation to 1995. The most important accounting principles which the company follows are described below.

Shares in portfolio companies

Consolidated statements have not been prepared because the purpose of investments in subsidiaries is to dispose of all or parts of the relevant investment after restructuring and development has taken place. This is in accordance with Norsk Vekst's accounting practice since it was established and is also considered to be in accordance with generally accepted accounting principles on the basis that such investments are temporary by nature and should thus be included under current assets.

Shares in portfolio companies are treated as current assets and include both subsidiaries and minority investments. These holdings are valued at the lower of cost price and market value, based on a total evaluation of all investments. However individual investments are written down where this is considered necessary due to a permanent fall in value.

Income recognition principles

Operating revenues include dividends and gains on the sale of shares in portfolio companies. Other operating revenues relate to rental income, directors' fees from portfolio companies and gains on the sale of fixed assets.

Gains on the sale of shares in portfolio companies are booked to income in the year the sale takes place. Rental income is booked as income at the date earned. Invoiced common expenses are included in rental income.

Receivables due from portfolio companies

Receivables due from portfolio companies are also treated as current assets and are valued at the lower of par value and the expected recoverable amount. Receivables are also valued in relation to the share value of the relevant company.

Bonds and securities

Bonds and securities are valued at the lower of cost price and market value on the balance sheet date, adjusted for hedging transactions which relate to the securities.

Other short-term receivables

Other short-term receivables are entered at their expected value and reduced for irrecoverable items.

Receivables and liabilities in foreign currencies

Short-term liabilities/receivables are valued at the higher/lower of the transaction rate and the rate at 31 December.

Fixed assets

Fixed assets are stated at cost less ordinary depreciation. Ordinary depreciation is based on the expected economic life of the asset.

Pension costs and pension liabilities

Pension costs and pension liabilities are included in the profit and loss account and balance sheet in accordance with the preliminary Norwegian accounting standard. The net pension cost for the year consists of pension entitlements earned during the period (allowing for future salary growth), plus estimated interest on the amount of the liability to provide such pension benefits, less the estimated return on the pension funds and the impact of any deviations from the assumptions underlying the pension arrangement. The net pension cost is classified entirely under salary costs in the accounts. In valuing pension funds and accrued liabilities, estimates are used when closing the accounts which are adjusted each year in accordance with actuarial calculations.

Tax charge

The tax charge in the profit and loss account consists both of tax payable for the period and the change in deferred tax. The change in deferred tax reflects future tax payable which arises as a result of the year's activities. Deferred tax is the tax relating to the accumulated result which falls due for payment in later periods. Deferred tax is calculated on net positive timing differences between accounting and tax balance sheet values after setting off negative timing differences and losses carried forward using the liability method.

Notes

Note 1 - Operating revenues

The company's operating revenues include gains on the sale of shares in portfolio companies totalling NOK 235.5 million. Other operating revenues relate to share dividends and fees from portfolio companies, rental income from properties as well as gains on the sale of fixed assets.

Note 2 - Cash, bank deposits, certificates

AMOUNTS IN NOK 1,000	COST PRICE AT 31.12.96	MARKET VALUE AT 31.12.96
Certificates	25,017	25,017
Cash and bank deposits	192,830	192,830
Total	217,847	217,847

Cash and bank deposits include deposits on blocked tax deduction accounts of NOK 561,864

Note 3 - Long-term fixed assets

AMOUNTS IN NOK 1,000	CARS, FITTINGS MACHINERY ETC.	BUILDINGS AND PLANT	LAND AND HOUSING	TOTAL
Cost at 1 January	10,402	22,607	1,166	34,175
Additions in the year	276	-	-	276
Disposals in the year	2,537	22,607	1,166	26,310
Cost at 31 December 1996	8,141	-	-	8,141
Accumulated ordinary depreciation	7,223	5,232	-	12,455
Book value at 31 December 1996	918	-	-	918
Ordinary depreciation for the year	1,467	1,793	-	3,260
Ordinary depreciation rates	10%-33%	3% - 5%		

INVESTMENTS IN AND SALES OF LONG-TERM FIXED ASSETS IN THE LAST 5 YEARS

AMOUNTS IN NOK 1,000	1996		1995		1994		1993		1992	
	INVESTMENT	SALE	INVESTMENT	SALE	INVESTMENT	SALE	INVESTMENT	SALE	INVESTMENT	SALE
Cars, fittings, machinery etc.	276	40,914	1,130	747	86	2,681	608	264	584	738

Note 4 - Shares

AMOUNTS IN NOK 1,000	SHARE CAPITAL	INTEREST	NUMBER OF SHARES	PAR VALUE	BOOK VALUE	MARKET VALUE*
PORTFOLIO COMPANIES						
Selmer ASA	273,264	15,55%	850,000	50	91,234	188,275
Merkantildata ASA	59,751	10,00%	1,216,684	5	46,869	141,135
A/S EDB	18,427	45,59%	8,400,000	1	37,500	
Kaldnes Heavy Lift Trucks AS	31,500	100,00%	31,500	1,000	31,500	
ELVA-FDF AS	4,512	35,00%	15,795	100	31,457	
AS Aalesundfisk	664	33,34%	221,496	1	30,364	
Framnæs Engineering AS	5,000	100,00%	50,000	100	27,997	
Pan Fish AS	1,750	21,43%	750,000	0,5	24,375	
Scandinavian Retail Group ASA	22,895	7,74%	177,140	10	23,839	
MaXware AS	11,240	46,44%	1,491,603	3,5	17,540	
CorrOcean AS	15,100	33,77%	5,100,000	1	15,000	
Intra Media AS	3,326	17,50%	74,847	10	10,000	
Powel Data AS	6,400	40,63%	260,000	10	9,880	
Synnøve Finden AS	5,690	41,30%	2,350	1,000	8,013	
Cogen AS	10,000	60,00%	6	1,000,000	7,080	
Multimedia Norge AS	550	40,00%	440	500	500	
Total					413,148	
FINANCIAL INVESTMENTS						
Elkjøp Norge ASA	71,600	3,49%	250,000	10	16,780	47,125
Hinderveien 5 AS	220	100,00%	2,203	100	4,406	
Petropark Holding AS	4,115	69,60%	28,640	100	3,437	
Other					900	
Total					25,523	
Book value, shares					438,671	

* Market value as at 31 December 1996 is only given for listed shares. No estimated market value is given for unlisted shares.

Note 5 - Short-term receivables

AMOUNTS IN NOK 1,000	RECEIVABLES	LOANS	TOTAL
Receivables due from portfolio companies:			
Kaldnes Eiendom AS	37,461	12,767	50,228
Framnæs Installasjon AS	-	2,250	2,250
Cogen AS	622	-	622
Nodeco AS	141,310	2,204	143,514*
Pan Fish AS	266	4,530	4,796
Synnøve Finden AS	216	5,309	5,525
Powel Data AS	213	-	213
AS Aalesundfisk	-	7,635	7,635
Other	36	-	36
Sub total	180,124	34,695	214,819
Other short term receivables	1,643	-	1,643
Total	181,767	34,695	216,461

* Norsk Vekst's share of the proceeds from the sale of the assets and liabilities of Nodeco AS.

Note 6 - Taxes

Set out below is a specification of the difference between the profit before tax in the accounts and the taxable income base figure for the year.

Taxable income base

AMOUNTS IN NOK 1,000	1996	1995
Profit before tax	222,961	84,315
Permanent differences	(5,695)	7,332
Change in timing differences	(34,113)	(16,403)
Tax loss carried forward	(24,778)	(75,244)
Taxable income base for the year	158,735	0

Tax cost

AMOUNTS IN NOK 1,000	1996	1995
Tax payable	43,326	-
Unused allowances carried forward	(1,958)	-
Tax payable	41,368	-
Change in deferred tax	132	-
Tax cost	41,500	-

Set out below is a specification of the timing differences and the loss carried forward. Deferred tax is calculated on the basis of timing differences between accounting and tax values which exist at the end of the financial year.

Deferred tax

AMOUNTS IN NOK 1,000	1996	1995
Current assets	(27,619)	(50,722)
Fixed assets	4,380	3,540
Other differences	23,709	13,539
Tax loss carried forward	0	(24,778)
Total timing differences	470	(58,421)
Deferred tax	132	

Other differences arise mainly from the gains and losses account.

Note 7 - Changes in equity

AMOUNTS IN NOK 1,000	SHARE CAPITAL	LEGAL RESERVE	TOTAL EQUITY
Equity at 31 December 1995	600,000	49,660	649,660
Dividend	-	(114,000)	(114,000)
Profit for the year	-	181,461	181,461
Equity at 31 December 1996	600,000	117,121	717,121

Note 8 - Pensions

The employees in the company are members of collective service pension schemes. The service pension schemes are defined as "net schemes" which do not link the company's liabilities to any changes in social security liabilities. The company has, against the background of the distinction drawn in the new accounting standards between benefit plans and contribution plans, chosen to treat the service pension schemes as benefit plans. The company's legal liabilities will not be affected by such accounting treatment.

In addition, the company has some uninsured pension liabilities. These relate to 8 Kaldnes employees.

With this exception, pension benefits from Kaldnes are covered by closed schemes: a workers' pension fund, an executives' pension fund and also a pension agreement with Storebrand. The schemes are self-funding. The executives' pension fund relates to several Kaldnes companies. In addition to it being self-funding, the companies also, under the Articles, have the right to terminate payment of the annual premium. The closed schemes are not included in the calculation since they are not co-ordinated with the pension scheme in Norsk Vekst.

On calculation of future pensions the following assumptions have been used:

Discount rate	7.00%
Earnings growth	3.30%
Pension increases	2.50%
Adjustment of social security fund's base amount	3.30%
Return on pension funds	8.00%
Employers' social security contributions	14.10%

The year's pension cost is arrived at as follows:

AMOUNTS IN NOK 1,000	1996	1995
- Present value of the year's pension earnings	298	255
+ Adjusted for transfer amount on implementation	0	51
- Interest on pension obligations	447	466
+ Expected return on pension funds	551	488
Amortisation of effect of deviations from estimates	(7)	0
Employers' social security contributions	(233)	0
Pension surplus/(expense)	46	(182)

Pension liabilities and pension funds at 31 December:

AMOUNTS IN NOK 1,000	1996	1995
Balance 31 December 1996:		
Pension obligations	6,954	7,286
Pension funds	7,598	7,011
Net pension funds/(obligations)	644	(275)

Note 9- Mortgages and guarantee liabilities

In connection with the sale of Jarlsø AS, Norsk Vekst undertook to issue a guarantee for an operating credit, overdraft and guarantee facility totalling NOK 10.6 million. The guarantee expires at the latest on 1 September 1999. Under certain circumstances the guarantee limit can be increased by NOK 3.2 million. Norsk Vekst has subrogated rights to the lender's mortgage if the guarantee is called.

Norsk Vekst has an overdraft facility with Den norske Bank of NOK 50,000,000 and a drawing facility of NOK 50,000,000. There were no drawings outstanding on the overdraft facility at 31 December 1996. The borrower has undertaken not to pledge its assets (property and/or income). This negative pledge clause does not prevent the borrower from acquiring assets which are pledged provided that the charge on the relevant asset does not exceed 90% of the asset's sale value at the date of acquisition.

Following the merger with Framnæs Rauma AS, Norsk Vekst assumed responsibility for an unconditional guarantee of NOK 1,750,000 relating to an overdraft facility provided by Den norske Bank to Framnæs Installasjon AS. Norsk Vekst will be released from the obligation before 1 April 2001.

Senior employees of AS Aalesundfisk have an option to sell in total 14,286 shares to Norsk Vekst at a price of NOK 140 per share. This put option can be exercised at any time up to 18 March 1998. However the option is cancelled if AS Aalesundfisk is listed on the stock exchange before this expiry date.

Andreas Marheim and Marheim Holdings AS have committed themselves to sell 60,000 shares in Scandinavian Retail Group ASA to Norsk Vekst at a price of NOK 145, and Norsk Vekst is similarly committed to purchase these shares from Andreas Marheim and Marheim Holdings AS. The parties have entered into the agreement on the understanding that a merger will take place between Scandinavian Retail Group ASA and Knut Haug AS, Andreas Marheim AS, and Marheim Tekstil AS. The parties have agreed that registration of the appropriate share transfer with the Norwegian Registry of Securities (VPS) should take place in March 1997.

Norsk Vekst is committed to purchase, in whole or part, the 72,000 shares of Powel Data owned by ABB Kraft AS, Siemens AS and Bailey Norge AS if the owners so request at any time up to 10 March 1997. The price for any such purchase would be NOK 38 per share.

Norsk Vekst has committed itself to provide a subordinated loan to Powel Data within a limit of NOK 10 million. The loan can at any time be converted into ordinary shares. The conversion price is set at NOK 50 per share. The loan and conversion rights expire on 17 December 1998.

Note 10 - Remuneration of Directors, auditor and Managing Director of Norsk Vekst

Remuneration paid to members of the Board in 1996 amounted to NOK 525,000.

Fees to the auditor expensed for 1996 were NOK 151,500.

In 1996 the Managing Director received NOK 1,000,000 in salary and NOK 913,000 in bonus.

On resignation the Managing Director has the right on certain terms to salary for a period of 12 months in addition to the period of notice period.

Note 11 - Shares owned by the Board and Managing Director, including shares owned by companies under their control

DIRECTOR	SHARES
Bernt J. Fossum	138,259
Christian Falck-Pedersen	55,000
Kåre Moe	17,000
Kaare M. Gisvold	5,000
Jon R. Gundersen	500
Roar Arntzen	-
Kari Kveseth	-
Managing Director	25,900
Auditor	-
TOTAL	241,659

Auditor's Report

To the Annual General Meeting of Norsk Vekst ASA

We have audited the Annual Accounts of Norsk Vekst ASA for 1996, showing net income of NOK 181,461,000. The Annual Accounts, which consist of the Board of Directors' report, statement of income, balance sheets, statement of cash flows and notes, are the responsibility of the Board of Directors and the Managing Director.

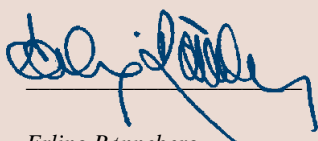
Our responsibility is to examine the company's Annual Accounts, its accounting records and the conduct of its affairs.

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 Annual Accounts 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 Annual Accounts. To the extent required by generally accepted auditing standards we have also evaluated the company's asset management and internal controls.

The appropriation of net income, as proposed by the Board of Directors, complies with the requirements of the Joint Stock Companies Act.

In our opinion, the Annual Accounts have been prepared in conformity with the Joint Stock Companies Act and present fairly the company'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.



Erling Rønneberg
State Authorised Public Accountant (Norway)

Oslo,
26 February 1997

Key Financial Figures

	1996	1995	1994	1993
Operating revenues (NOK m.)	242.9	81.5	101.4	118.9
Operating profit (NOK m.)	213.9	56.0	62.7	60.7
Net financial result (NOK m.)	9.1	28.4	13.8	29.1
Profit before tax (NOK m.)	223.0	84.3	76.5	89.8
Profit after tax (NOK m.)	181.5	84.3	76.5	75.7
Dividend (NOK m.)	114.1	67.3	61.3	-
Average number of shares	6,666,667	6,666,667	6,101,077	6,000,000
Number of shares at 31 December	6,666,667	6,666,667	6,666,667	6,000,000
Earnings per share (NOK)	27.23	12.65	12.54	12.62
Dividend per share (NOK)	17.10	10.10	9.20	-
Investment portfolio at 31 December (NOK m.)	431.4	508.4	277.9	303.2
Financial investments at 31 December (NOK m.)	415.9	222.4	423.0	317.9
Book value of equity at 31 December (NOK m.)	717.0	649.7	648.4	604.7
Book equity per share at 31 December (NOK)	107.55	97.45	97.25	100.78
Gross return on investment portfolio (%)	52.1	21.7	28.3	24.3
Accumulated average gross return (%)	32.1	24.1	26.2	24.3
Net return on investment portfolio (%)	48.8	17.9	23.2	20.5
Return on equity (%)	26.6	13.0	12.2	13.4
Administration costs (%)	1.9	1.9	2.2	2.2
Investments in portfolio companies (NOK m.)	108.4	297.8	114.8	69.1
Disposals of portfolio companies (NOK m.)	395.4	95.5	143.0	259.3
Share price at 31 December (NOK)	177.5	116.0	82.0	-
Market capitalisation at 31 December (NOK m.)	1,183.3	773.3	546.7	-

Key figures: Definitions

Gross return:

The gross return includes gains on the realisation of shares in portfolio companies, dividends, directors' fees and other income directly related to the investment portfolio. An adjustment has been made in the calculation of gross return for all realised losses and net provisions for losses on investments in portfolio companies. The return on the company's financial investments is not included in the gross return.

Net return:

Gross return less the company's administration costs

Administration costs:

Administration costs include all costs associated with the operation of Norsk Vekst, including the administration of financial investments, and is made up of personnel costs, office rent, legal assistance, consultancy fees and the costs of running the office. Costs which are directly related to property management and profit related bonuses to the company's management are not included in administration costs.

Investment portfolio:

Investment in portfolio companies in the form of shares or other equity instruments, including convertible loans. The investment portfolio is valued at book value in calculating key figures. In addition, committed facilities are included.

Financial investments:

Financial investments consist mainly of liquid interest-bearing securities, a small holding in listed shares as

well as shares in companies which are about to be listed or have recently been listed. Ordinary, short-term, interest bearing loans to portfolio companies and industrial properties taken over from portfolio companies are also included in financial investments.

Gross return (%):

Gross return as a percentage of the average investment portfolio. The average is calculated on the basis of the book value of the investment portfolio per quarter.

Accumulated average gross return (%):

The average is calculated on the basis of the gross return in % for each year weighted by the investment portfolio. As an example the figure for 1996 is the average gross return for the period 1993-1996.

Net return (%):

Net return as a percentage of the average investment portfolio. The average is calculated on the basis of the book value of the investment portfolio per quarter

Equity return (%):

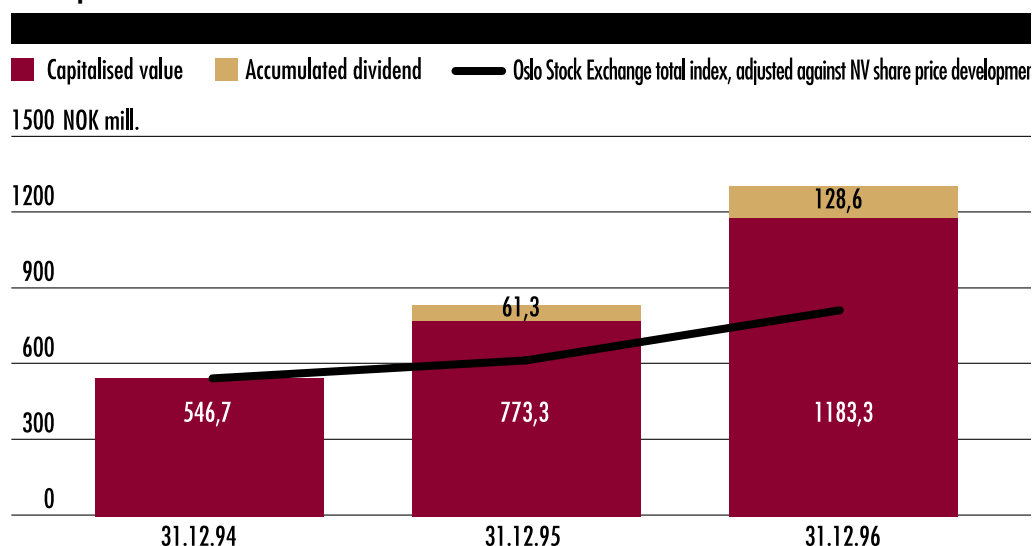
Profit after tax as a percentage of average equity. The average is calculated on the basis of book equity at 1 January and 31 December of the financial year.

Administration costs (%):

Administration costs as a percentage of average total assets. The average is calculated on the basis of the book value of total assets at 1 January and 31 December of the financial year.

Shareholder Information

Development in value



Development in market value and share price

Norsk Vekst's shares were first listed on the Oslo Stock Exchange on 5 January 1995 at a closing price of NOK 82.00 per share. The share price at the end of 1995 and 1996 was NOK 115.00 and NOK 177.50 per share respectively. During February 1997 the share has been traded on the Oslo Stock Exchange at NOK 235.00 per share.

The price development of the Norsk Vekst share is shown in the graph above.

The closing share price on the first day of listing on the Stock Exchange gave Norsk Vekst a market capitalisation of NOK 546.7 million as at 5 January 1995. During 1995 a total of NOK 61.3 million was paid in dividends. The market capitalisation of Norsk Vekst on 31 December 1995 was NOK 773.3 million. If the dividend paid is included, Norsk Vekst therefore increased its market value by 287.9 million in 1995. In 1996 dividend paid amounted to NOK 67.3 million, whilst the market value at 31 December 1996 was NOK 1,183.3 million. Including the dividends paid, Norsk Vekst has increased its market value by a total of NOK 765.2 million from the date of its first listing to 31 December 1996. This is equivalent to an increase of 140%.

Norsk Vekst does not publish net asset value calculations. Reference is made to securities companies which follow the Norsk Vekst share, such as Alfred Berg, Fondsfinans and Karl Johan Fonds, produce their own commentary and analysis for the individual companies in the investment portfolio.

Capital base and dividend policy

Norsk Vekst has a capital base consisting of share capital of NOK 600 million plus a legal reserve which, when fully established in accordance with the requirements of the Companies Act, will amount to NOK 120 million. In addition it has borrowing capacity for up to the equivalent of 40% of book equity. Any increase in equity beyond NOK 720 million must be approved by the shareholders.

According to Norsk Vekst's dividend policy 80% of the annual profit is paid in dividends until the legal reserve satisfies the requirements of the Companies Act, i.e. NOK 120 million. Thereafter the entire annual profit will be distributed as dividends. In view of the size of the profit in 1996 the Companies Act requires a larger allocation to legal reserve than this policy would produce. On the basis of the profit for the year the legal reserve will be NOK 117.1 million at the 1996 year end.

Norsk Vekst endeavours to provide a competitive direct yield to shareholders in the form of dividends. However, Norsk Vekst's profit arises mainly from the sale of portfolio companies. Dividends may therefore vary considerably from year to year. The Board has proposed a dividend for 1996 of NOK 17.10 per share. Dividends of NOK 9.20 and NOK 10.10 per share were paid in 1994 and 1995 respectively. The proposed dividend for 1996 is equivalent to 9.7% of the share price at 31 December 1996. It is expected that the 1996 dividend will be paid to shareholders on 9 April.

Norsk Vekst's 20 largest shareholders at 31 December 1996 were:

NAME	TOTAL SHARES	PERCENT
1. Norwegian Ministry of Industry and Energy	2.240.000	33,59
2. Aksjefondet Avanse	379.310	5,68
3. Arendals Fossekompani ASA	334.300	5,01
4. Hafslund Invest ASA	255.600	3,83
5. Norsk Hydro ASA	250.000	3,74
6. Skogan Gård AS	241.441	3,62
7. Must AS	241.440	3,62
8. Storebrand Livsforsikring	224.600	3,36
9. Gjensidige Livsforsikring	183.580	2,75
10. Foinco Invest AS	133.259	1,99
11. Samvirke Livsforsikring	112.000	1,67
12. Norsk Hydros Pensjonskasse	100.000	1,49
13. A/S Skarv	71.500	1,07
14. Sundt Petter C.G.	71.460	1,07
15. Meieribrukets Pensjonskasse	68.000	1,01
16. City of Oslo Pension Fund	64.000	0,95
17. Gjensidige Skadeforsikring	62.100	0,93
18. Ticon AS	55.000	0,82
19. Bergesen D.Y. ASA	50.000	0,74
20. The Northern Trust Company	49.000	0,73
Others	1.480.077	22,20
Total	6.666.667	100,00

Information policy

The company wishes to maintain good communications with the Oslo Stock Exchange, shareholders and the financial markets in general. Shareholders and the wider financial market will be kept informed of the company's development through annual and quarterly reports, as well as releases of information to the Oslo Stock Exchange and the press. Norsk Vekst also holds presentations for investors and analysts during the year.

Bonus scheme for the company's management

The established bonus scheme for senior management of Norsk Vekst provides that 5% of the profit for the year, after tax and the deduction of a calculated risk-free return on the company's book equity at the start of the financial year, is paid as management bonuses. Bonuses paid in any one year are limited to a maximum of the recipient's annual salary, and half of the amount paid after tax is to be applied in buying shares in Norsk Vekst with a lock-up period of currently two years. The company does not have a share option scheme.

Shareholder composition

At the end of 1996 there were a total of 792 shareholders. Shareholders resident outside Norway account for 3.67% of the total number of shares.

Tax matters

According to the Norwegian tax rules the cost price of the Norsk Vekst share must be adjusted upwards or downwards by a so-called RISK amount in order to calculate the taxable gains or losses on the disposal of shares. The rules only apply to investors resident in Norway. The cost price of the shares must be adjusted for a RISK amount which is calculated for each shareholder from the date of purchase. The estimated RISK amount for 1996 is NOK -8.67 per share.

Norsk Vekst had no tax liability in 1996, 1995 or 1994, due in part to the availability of tax losses to carry forward. The financial profit has provided a basis for the payment of dividends. Dividends are at the outset tax-free for Norwegian shareholders, although the cost price for tax purposes is adjusted downwards since the dividend has not been paid on the basis of a taxed profit. Investors who participated in the issue in Norsk Vekst by using negative balances in 1989 obtained approval from the Ministry of Finance in 1992 for a cost price for tax purposes of NOK 100 after the share split of 1:10.

RISK amounts

1994	NOK -9.12
1995	NOK -9.15
1996	NOK -8.67 (estimated)

Management and Board of Directors

MANAGEMENT

Øyvind Aasbø

46, has been Managing Director of Norsk Vekst since 1 May 1995. He has been employed by Norsk Vekst since 1993. Aasbø is an engineering graduate of the Norwegian Institute of Technology and has a business degree from the Norwegian school of Management. Previous positions include Managing Director of Lincoln Norweld AS.

Trond Bjørnøy

40, is a Director of Norsk Vekst. He has been employed by Norsk Vekst since 1989. Bjørnøy is business economics graduate of the Norwegian School of Economics and Business Administration, and has previously worked for, among others, Selmer Sande AS, Grindlays Bank plc, and Eksportfinans AS.

Lars A. Grinde

35, is the Finance Director of Norsk Vekst. He has been employed by Norsk Vekst since 1991. Grinde holds a graduate degree in business from St. Gallen Business School, Switzerland and is an authorised public accountant. He has previously worked for Price Waterhouse AS among others.

Jarle Gundersen

44, is a Director of Norsk Vekst. Gundersen is a business economics graduate of the Norwegian School of Management. Gundersen has worked for, among others, the NPC group, and subsequently as finance director of Aker a.s

BOARD OF DIRECTORS

Kåre Moe

68, has been the Chairman of Norsk Vekst since 1989. He holds a degree in business and works as a company consultant in addition to holding positions as Chairman and Board member in a number of Norwegian companies. Moe has both executive and, as Chairman of the Board, non-executive experience in shipping, commerce, banking, insurance and research in Norway and abroad.

Roar Arntzen

49, has been a member of the Board of Norsk Vekst since 1989. Arntzen is an engineering graduate of the Norwegian Institute of Technology and is Managing Director of SINTEF. Previous positions include Managing Director of Autronica A/S, and Arntzen has a wide experience from industry, construction and civil engineering and commerce.

Christian Falck-Pedersen

43, has been a member of the Board of Norsk Vekst since 1995. Falck-Pedersen has an MIM (Master of International Management) from Phoenix, Arizona and Oxford, England and a law degree from Oslo University. Falck-Pedersen is Managing Director of Ticon AS, and is a member of the Board of Unitor ASA among others and is chairman of the NHO committee for family owned companies.

Bernt J. Fossum

66, has been a member of the Board of Norsk Vekst since 1992. Fossum is a business economics graduate and also has an MBA from the Harvard Graduate School of Business Administration.

Fossum was previously Managing Director of Foinco Invest A/S, a Board member and Managing Director of Stormbull A/S and Chairman of the Board of Norges Grossistforbund. He holds a number of board positions in Norwegian industry and society.

Kaare M. Gisvold

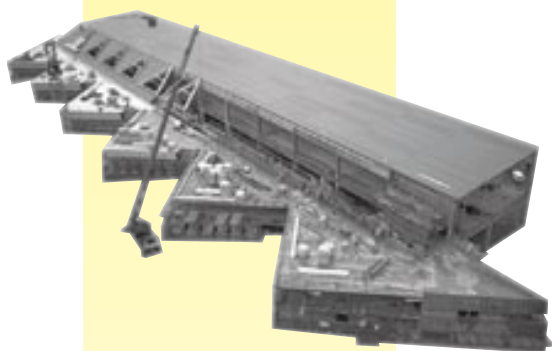
53, has been a member of the Board of Norsk Vekst since 1990. He holds an engineering degree and an engineering doctorate from the Norwegian Institute of Technology. Gisvold is the Managing Director of Golar-Nor Offshore A/S, the Chairman of the Board of Adresseavisen ASA; a Board member of Meråker Brug AS and member of the corporate assembly of Arendals Fossekompagni ASA.

Jon R. Gundersen

63, has been a member of the Board of Norsk Vekst since 1992. Gundersen is a supreme court lawyer and partner of the law firm Lund Gundersen & Co AS. He is Chairman of, among others, Storebrand ASA and Arendals Fossekompagni ASA and is Vice Chairman of Norske Skog ASA.

Kari Kveseth

53, has been a member of the Board of Norsk Vekst since 1995. Kveseth holds MSc. and PhD. degrees in chemistry from the University of Oslo. Kveseth was a director in NTNf from 1986 and is today a director of the Norwegian Research Council and is, among other positions, the head of the Norwegian Space Centre's Council and deputy and a member of Forsvarets Forskningspolitiske råd.



Rena camp.

Selmer is Norway's leading building and civil engineering contractor.

Norsk Vekst has invested NOK 91.2 million in Selmer (first investment 1994), and has a 15.6% interest in the company. Norsk Vekst is Selmer's largest shareholder.

Results

The group recorded a profit before tax of NOK 162.7 million in 1996 as against NOK 121.6 million in 1995, an improvement of 33.8%. The group's result was somewhat better than expected, thanks to its work with a long-term programme of measures to improve profitability as well as favourable market conditions. Operating revenues increased from NOK 3,769.1 million in 1995 to NOK 4,166.1 million in 1996, an increase of just below 11%. This increase in turnover comes from both building

works and the subsidiaries' activities

Business description

Selmer's building business increased sales from NOK 2,009.2 million in 1995 to NOK 2,278.0 million in 1996, an increase of 13.4%. The building market continued to grow in 1996 by some 3%, as compared to growth of 11% in 1995. Selmer's building operation recorded a good improvement in profit from NOK 54.1 million in 1995 to NOK 91.1 million in 1996. All the geographic units in the division showed an increase in profit, and this can be attributed mainly to the continuing process of improvement in the company.

Selmer's civil engineering operations reported turnover of NOK 1,326.7 million in 1996 as against NOK 1,324.3 million in the previous year. The supply of new civil engineering contracts in Norway was at the same level as in the previous year. The competitive situation eased somewhat during the course of the year, although there is still strong competition in bidding for new contracts. Profit before tax amounted to NOK 58.4 million as against NOK 52.9 million in 1995, of which the 1995 figure includes a one-off profit of NOK 15.6 million.

The aggregate turnover of subsidiaries and associated companies was higher in 1996 than in 1995. Sales by subsidiaries increased by NOK 120.4 million, and profit before tax rose from NOK 7.3 million in 1995 to NOK 9.0 million in 1996. Platzer Bygg Göteborg AB was acquired as of 1 October 1996 and reported a turnover of NOK 122.1 million

Selmer ASA

in the fourth quarter with a break-even result.

The programme to sell off property investments continued in 1996. The book value of investment properties was NOK 24.6 million at the end of 1996.

Continuing growth in the Norwegian economy bodes well for a good and stable year for building and construction markets in 1997. The company expects the house building market to continue to grow in 1997, whilst the market for new commercial properties is expected to flatten out. Civil engineering activities are expected to see a high level of activity in 1997. At the end of the year the group's total order book stood at NOK 3,550 million as compared to NOK 2,471 million a year earlier. The order book for building has maintained a stable level throughout 1996, whilst the civil engineering order book increased markedly in the second half of the year.

The four largest Swedish construction companies are now all established in Norway. This has not, however, caused an imbalance of supply and demand in the market, partly because their involvement has been through the acquisition of existing Norwegian companies, and partly because there has been sufficient growth in the Norwegian market to absorb a certain amount of increased capacity. The trend towards larger companies will continue, and Selmer will continue to work to maintain its position as Norway's largest contractor. Selmer works with a continual programme of measures aimed at improving its competitiveness, and the company expects increased sales and profits in 1997.

Main Figures: Selmer Group

(NOK mill)	1996	1995	1994
Sales	4.166	3.769	3.447
Depreciation	80	68	59
Operating profit	147	104	73
Profit before tax	163	122	65
Profit after tax	161	114	64
Total assets	2.170	1.596	1.556
Book equity	513	374	220
No. of employees	3.391	3.026	2.812
Norsk Vekst's interest (%)	15,6		
Amount invested	91,2		

Chairman Jan T. Jørgensen
 Managing Director Sigmund Bjørgum
 Norsk Vekst's representative on the Board: Trond Bjørnøy

Merkantidata ASA

Merkantidata is a leading supplier and distributor of information technology throughout Scandinavia.

Norsk Vekst has invested NOK 46.9 million in Merkantidata (first investment 1995) giving an interest in the company of ca. 10,0%.

Results

Merkantidata recorded a provisional profit before tax of NOK 90.8 million in 1996 as against NOK 48.2 million in 1995. Operating revenues increased from NOK 1,399.1 million in 1995 to NOK 2,277.2 million in 1996.

Business description

The information technology markets of Norway and Sweden continue to show strong growth in the product areas of greatest importance for Merkantidata's activities. Above all there is increasing demand for the supply of complex systems which require great expertise and broad experience in their supply and commissioning. This is increasing the focus of attention on services and products in areas such as data storage, communications and network systems, and contributed to improved operating margins. However the market for PCs and standard products sold through dealers continues to be weak, particularly in Sweden. Against this background Merkantidata has chosen to slant its product mix in favour of the higher value added services and products. Sales of software increased more slowly than expected. Delays in development work during 1996 caused higher costs to be allocated to the applications area.

Merkantidata's business is organised into four business areas. The Technology activity, also known as systems integration, covers sales of network-based solutions and associated expertise and services. Applications covers the in-house development and sale of software and related consultancy services. Products and services for communications and networks make up the third area. The fourth business area is the distribution and sales of computing and communications products.

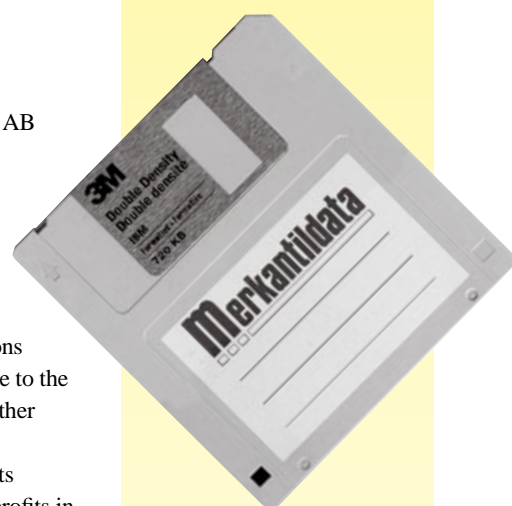
Merkantidata has grown through acquisition and merger into one of Scandinavia's largest independent computing suppliers, with good geographic coverage of Norway and Sweden. The company has created a leading position for itself in those areas within information technology where higher value added services permit better margins. In the course of 1996 the company's Board has entered into merger agreements with, amongst others, MBS Fjerndata ASA in Norway and Computer Business Syd Holding AB in Sweden.

MBS Fjerndata is the parent company of a group involved in systems integration, training and courses, which also sells servers and PCs as well as network related products and services. The merger of the two companies will particularly strengthen Merkantidata's activities in systems integration and training in Norway. MBS Fjerndata Holding AS was consolidated with Merkantidata for accounting purposes with effect from 1 January 1996.

Computer Business Syd is the parent company of a systems integration business in Sweden.

Computer Business Syd AB owns the rights to the ComputerLand trade mark in Sweden and sells its services under that name. The merger will strengthen Merkantidata's operations in Sweden and contribute to the company's basis for further development.

Merkantidata expects increased turnover and profits in 1997, based on the significant market position the company has achieved in both the Norwegian and Swedish markets for products and services related to systems integration and communications.



Merkantidata is a leading supplier and distributor of information technology throughout Scandinavia.

Main Figures Merkantidata ASA

(NOK mill)	1996*	1995	1994
Sales	2,277	1,399	1,032
Depreciation	17	23	19
Operating profit	96	50	21
Profit before tax	91	48	19
Profit after tax	**	47	19
Total assets	1,060	609	439
Book equity	369	171	96
No. of employees	915	640	566
Norsk Vekst's interest (%)	10,0		
Amount invested	46,9		

Managing Director Tom Adolfsen

Norsk Vekst's representative on the Board: Øyvind Aasbø, Chairman

* Post merger with MBS Fjerndata

** Figure not available



Training is a part of A/S EDB's extensive product range.

A/S EDB offers its customers consultancy, computer operations (computing power, FM and EDI), software and networking products. With effect from 1 January 1996 A/S EDB merged with LandbruksData AS, a company selling computer operations and consultancy services, as well as its own software packages.

Norsk Vekst has invested NOK 37.5 million in A/S EDB, giving an interest of 45.6% in the merged company.

Results

A/S EDB reported a profit before tax of NOK 11.8 million in 1996 as against NOK 4.0 million in 1995. A comparison with the combined figures for the two companies' 1995 results shows turnover and profit increasing by NOK 16 million and NOK 9 million respectively.

Main Figures A/S EDB

(NOK mill)	1996	1995*	1994*
Sales	414	302	245
Depreciation	6	4	4
Operating profit	12	4	0
Profit before tax	12	4	0
Profit after tax	8	3	0
Total assets	164	115	106
Book equity	75	49	48
No. of employees	338	240	228
Norsk Vekst's interest (%)	45,6		
Amount invested	37,5		

Managing Director Eivind Kinck
 Norsk Vekst's representative on the Board: Jarle Gundersen (Chairman)

* Before the merger

A/S EDB

Business description

Throughout 1996 the Norwegian IT market has been characterised by much activity and a strong demand for products and services. This has been particularly true of expertise for the development and operation of client/server systems, as well as for communications and network system skills. The structural changes which have been seen in the sector over recent years have continued in 1996. Large IT companies continue to grow through acquisition and merger, whilst a sub-strata of smaller operations is growing up.

1996 was a year of growth for all the main areas of A/S EDB's activities.

The concentration on consultancy services in chosen areas of technical competence produced significant market success in this area. The company won a number of large consultancy assignments in addition to continuing systems and advisory work for a range of established customers. The company has achieved its goal for increasing the number of large projects with total project responsibility in preference to only supplying resources for customer led projects.

The company's Operations division was strengthened considerably by the merger in 1996. New mainframe assignments have been taken on and contract extensions agreed for a number of existing assignments. At the end of the year an investment was made in the latest mainframe technology, which will increase the range of service and operations available to the company's customers. The Operations division has also concentrated heavily on the Operations Partner concept for

other equipment platforms, and a number of new assignments have been taken on.

The Operations Division is one of the country's largest suppliers of EDI (Electronic Document Interchange) products and services.

In the field of software there has been a significant strengthening of the expertise made available for the SAP activity, and three contracts were signed in 1996 with major industrial companies for extensive SAP implementation projects which will be carried out in part during 1997. In addition A/S EDB's own logistics system for the food products industry, NOVA, has increased its installed base, particularly in the fish farming sector.

A/S EDB's network division, which sells servers and work station computers for networks, was recognised in March as System Partner of the Year by Compaq, at the same time as the division was making very good progress with sales of IBM'S Unix servers. The division's training activities have also progressed well in 1996 and have reinforced A/S EDB's position as one of the country's leading centres for PC courses.

The strong demand currently experienced for IT services and related expertise is expected to continue in the foreseeable future.

The company has started 1997 with a focus on continued growth and new business opportunities. The areas of technical expertise within the company are ready to expand their staff numbers, as are sales and marketing. The Board expects a positive development in profitability in 1997.

A/S EDB is planning a Stock Exchange listing in 1997.

Kaldnes Heavy Lift Trucks AS (KHLT)

KHLT develops, produces and markets large lift trucks, log handling trucks (Scandlog) and shovels for mechanical diggers. Prior to 31 December 1996 KHLT produced trucks for Mitsubishi Caterpillar Forklifts (MCF). From 1 January 1997 KHLT has taken over all the rights to these products, and will itself be responsible for selling these machines directly to customers through the Caterpillar dealer network.

Norsk Vekst's investment in KHLT amounted to NOK 31.5 million at 31 December 1996 (first investment 1991). The company is wholly owned by Norsk Vekst.

Results

The company recorded a profit before tax of NOK 0.7 million in 1996 as against a loss before tax of NOK 8.5 million in 1995. Operating revenues fell from NOK 157.6 million in 1995 to NOK 141.0 million in 1996. Cost reductions and an increased focus on operational efficiency succeeded in reversing the negative result trend in the second half of 1996. This positive trend is expected to continue in 1997.

Business description

An agreement was reached in June of last year with MCF which secures the company's rights to produce and market the heavy lift trucks which MCF previously sold on the international market. MCF wanted to exit this segment of the truck market, and KHLT will market these products through the same network of Caterpillar dealers as MCF used.

The market for Scandlog was weaker in 1996 than in the previous year. KHLT consolidated its position in the market and is today the market leader for operator comfort and safety, and for cost efficient machines.

It has been decided to concentrate the company's activities in the Kaldnes area. A new, modern production facility will be ready in May 1997. The manufacture of parts and components will be moved to this facility, together with assembly of finished products. This will contribute to more efficient operations and further reductions in costs.

The measures implemented in 1996 and the further changes which will take place in 1997 serve to strengthen the company's competitiveness. No significant changes are expected in market conditions in 1997, but the introduction of direct marketing and sale of heavy lift trucks will represent a significant challenge. Turnover in 1997 is expected to be somewhat lower than in 1996, but with an improvement in profitability.



A lift truck developed by KHLT.

Main Figures Kaldnes Heavy Lift Trucks AS

(NOK mill)	1996	1995	1994
Sales	141	158	120
Depreciation	1	1	1
Operating profit	2	(6)	(2)
Profit before tax	1	(9)	(4)
Profit after tax	1	(9)	(4)
Total assets	53	58	71
Book equity	18	6	15
No. of employees	137	159	139
Norsk Vekst's interest (%)	100,0		
Amount invested	31,5		

Managing Director Leif E. Nilsen
Norsk Vekst's representative on the Board: Trond Bjørnøy (Chairman)



Induction heating of a steel bolt.

ELVA-FDF a.s is the holding company in the EFD group which consists of Elva Induksjon a.s. in Skien and Induktionserwärmung Fritz Düsseldorf GmbH (FDF) in Freiburg, Germany, together with subsidiaries in six European countries, in America and in India. ELVA and FDF came together to form the new group with effect from 1 January 1996 following several years of close co-operation on products and markets. ELVA is a market leader in the business of development, production and sales of semiconductor-based frequency converters for induction heating, whilst FDF is Europe's leading producer of induction based hardening machines.

Norsk Vekst has invested

ELVA-FDF a.s

NOK 31.5 million in AS Elva (first investment in 1994) and has a 35.0% interest in the company.

Results

The group recorded a profit before tax of NOK 16.6 million in 1996. The aggregated profits of ELVA and FDF in 1995 amounted to NOK 11.9 million. Operating revenues for the companies combined were NOK 328 million in 1995, but the new group's operating revenues increased to NOK 363 million in 1996. Of 1996 turnover 70% came from Europe, 22% from the USA and 7% from Asia. Germany was the largest single market (40%), whilst Norwegian sales accounted for 3% of the total. Deliveries of equipment for hardening of glues and aluminium bonding for the car industry increased markedly during 1996. Growth was particularly strong in the USA, but improved demand for supplies to the car industry, particularly hardening machines, was also seen in Europe. The market for pipe welding eased somewhat during 1996.

Business description

Induction heating is an energy-saving and environmentally friendly heating method which is being used in an increasing range of industrial applications. EFD is the market leader in induction hardening of coatings, pipe welding and brazing. The product range includes machinery for coatings hardening, and frequency converters for brazing and pipe welding and heat treatment of materials among other applications. In addition to selling complete installations the company itself offers induction processes in its home markets.

ELVA and FDF have worked in close co-operation for a number of years. They have complementary products and markets, and the current strategy is to commit significant resources to research and product development. The technology is developing very rapidly and product renewals will take place faster than previously. The sector is fully international with EFD being the only Norwegian company in the sector.

At the end of 1996 the group had 378 employees, of which 100 were in Norway and 224 in Germany. The merged company has production facilities in Norway, Germany and India, as well as subsidiaries providing sales and service in six European countries as well as the USA. EFD's most important customers are to be found in pipe production, electro-technical industries and car manufacture.

The merged company's first year of operation was characterised by re-organisation and co-ordination of its activities. The accounts are affected by the closure costs arising from a production subsidiary in Austria which was owned by FDF. The activity of this operation has been transferred to Germany. In India agreement has been reached with the local partner to acquire the entire interest in ELVA Induction India Ltd. Supplies of frequency converters and hardening machines to the Indian market started in 1996.

The company expects increased sales and profits in 1997.

Main Figures ELVA EFD Group

(NOK mill)	1996*	1995	1994
Sales	363	157	125
Depreciation	10	5	4
Operating profit	23	17	11
Profit before tax	17	13	8
Profit after tax	12	9	6
Total assets	274	133	108
Book equity	78	43	28
No. of employees	378	127	104
Norsk Vekst's interest (%)	35,0		
Amount invested	31,5		

Chairman Manfred Düsseldorf
 Managing Director Truls Svein Erik Larsen
 Norsk Vekst's representative on the Board: Øyvind Aasbø
 * Post merger

AS Aalesundfisk

AS Aalesundfisk is an integrated fishery company active in fish farming, fish processing and trading. The group comprises companies involved in the production of fresh salmon and white fish, smoked salmon, stock fish, preserved and dried fish.

Aalesundfisk is a significant fish exporter, and is well known in international markets. The company regards Europe as its most important market, but is also active in the USA, South America and the Far East.

Norsk Vekst has invested NOK 30.4 million in the company, giving it a 33.3% interest.

Results

The group reported profit before tax of NOK 2.5 million in 1996, as against NOK 4.4 million in 1995. Operating revenues fell from NOK 463.4 million in 1995 to NOK 383.6 million in 1996. The group's total profit for 1996 was lower than expected, with income falling in the second half of the year after a good first six months. This was due principally to sales of salmon being weaker than normal. In addition the company was implementing extensive organisational and administrative changes in this period which took time from other activities. However the effects of these changes are expected to contribute to increased income in 1997.

Business description

The business area Fish Farming is a long term strategic investment intended to secure the company's supply of raw material. Farmed salmon produced by the company is either used in the company's own processing plants or is sold in the market through the business area Purchase/Sales. This business area undertakes the trading of the small or large quantities of fish which represent

Aalesundfisk's main activity. The division provides those involved in all stage of the fish production chain with purchases and sales of a wide variety of fish products, and is accordingly trading both own produced products and those produced elsewhere. The business area Production is responsible for further processing of fish supplied from the group's own fish farms as well as of fish purchased on the open market by the Purchase/Sales activity.

The business area Production comprises four production facilities: Aalesund Kleivane, Stokfish (100%), Roger (47%) and A-Fish Skagen (100%). The group's head office (AS Aalesundfisk) is located at the Aalesund Kleivane facility, which processes and freezes fresh white fish. This company had a turnover of NOK 401.9 million in 1996 as against NOK 437.6 million in 1995. Profit before tax was NOK 3.8 million in 1996 as against NOK 8.3 million in the previous year. Roger AS produces dried cod (klippfisk) from bulk frozen cod, ling, saithe and torsk which are purchased in the spot market by the business area Purchase/Sales. This company had turnover of NOK 71.9 million in 1996 as against NOK 63.6 million in 1995. The result before tax was a loss of NOK 3.8 million in 1996 as compared to a loss of NOK 1.9 million in the previous year. Stokfish Norway AS is a production facility for processing cod and ling for the production of a processed Norwegian speciality known as lutefisk. The company had turnover of NOK 31.6 million in 1996 as against NOK 34.5 million in 1995. Profit before tax was NOK 0.5 million in 1996 as against a loss of NOK 1.1 million in the previous year. A-Fish Skagen AS operates from Skagen in Denmark. The com-

pany is involved in filleting, cutting, smoking and packing salmon. Historically the company has produced cold smoked salmon, but is currently working on a promising project for hot smoked portion packed salmon. This newly developed product has been well received in the market, including major supermarket chains in Germany and France, and potential sales volumes are significant. The company's turnover in 1996 was NOK 105.8 million as against NOK 60.8 million in 1995. The result before tax was a loss of NOK 1.8 million in 1996 as against a profit of NOK 0.8 million in the previous year.

In order to increase its control over a greater span of the chain of value added, Aalesundfisk is looking to increase the degree of processing carried out by the group. The establishment of an integrated unit in Norway which undertook both production and distribution of fish products directly into the market would eliminate a number of expensive stages in the chain. AS Aalesundfisk intends to participate in the future restructuring of the fish industry and the company expects increased turnover and profit in 1997.



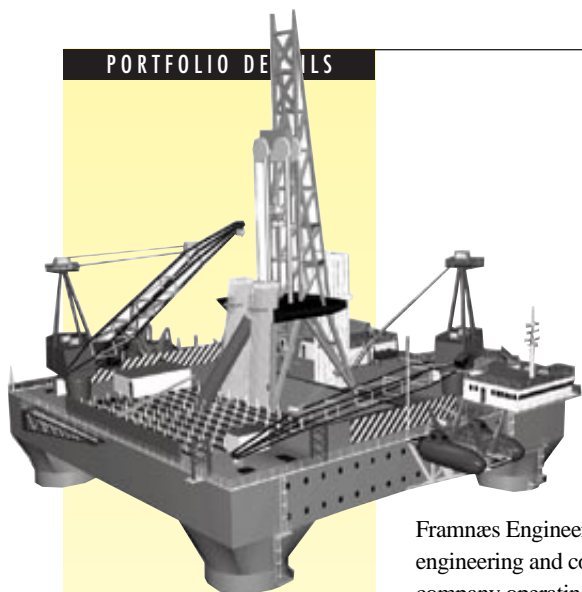
AS Aalesundfisk is an integrated fishery company active in fish farming, and trading.

Main Figures AS Aalesundfisk Group

(NOK mill)	1996*	1995	1994
Sales	384	436	458
Depreciation	3	3	2
Operating profit	9	12	9
Profit before tax	3	4	4
Profit after tax	2	2	4
Total assets	166	127	121
Book equity	50	24	22
No. of employees	200	94	100
Norsk Vekst's interest (%)	33,3		
Amount invested	30,4		

Managing director Ivar E. Wartdal
Norsk Vekst's representative on the Board: Trond Bjørnøy (Chairman)

* Provisional figures



FE-P007-2S: A new rig design from Framnæs Engineering AS.

Framnæs Engineering is an engineering and consultancy company operating in offshore, shipping and land-based industry. The company is also able to take on complete responsibility for projects by using sub-contractors for manufacture and installation. Framnæs Engineering acquired 40% of Framnæs Installasjon AS during 1996, with accounting effect from 1 January 1996.

Norsk Vekst has invested NOK 28.0 million in Framnæs Engineering and owns 100% of the company.

Results

The group showed a profit before tax of NOK 5.8 million in 1996, as against NOK 2.9 million in 1995. The group had operating revenues in 1996 of NOK 66.4 million against NOK 44.4 million in 1995, an increase of around 50%. The group's share of Framnæs Installasjon's post tax profit of NOK 3.1 million is consolidated in the accounts for the year.

Main Figures Framnæs Engineering Group

(NOK mill)	1996	1995	1994
Sales	66	44	35
Depreciation	1	1	1
Operating profit	5	3	(1)
Profit before tax	6	3	(1)
Profit after tax	5	3	(1)
Total assets	22	17	16
Book equity	11	7	4
No. of employees	79	69	65
Norsk Vekst's interest (%)	100,0		
Amount invested	28,0		

Managing Director Arnfinn Thomassen
 Norsk Vekst's representatives on the Board: Trond Bjørnøy (Chairman) and Jarle Gundersen

Framnæs Engineering AS

Business description

In the offshore market the company has concentrated on deliveries targeted at the maritime sector of the market such as drilling and production rigs, oil storage and production vessels and turrets (anchoring position system for vessels) as well as smaller supplies.

Activities directed towards shipping are particularly related to ferry operators, whilst the industrial market activities are directed principally at process industries in Telemark and Vestfold.

Framnæs Engineering's activities in the market for rigs and floating production platforms showed considerable growth in 1996. The company's rig and FPSO/FSO design attracted interest in the market which has led to an increase in the customer base compared to the situation a year ago. Against the background of its own designs for floating production vessels, oil storage ships and turrets, the company has attracted interesting assignments and studies for oil companies during the year. In the autumn of 1996 the company purchased the rights to two rig designs which it has developed further to be «state of the art» designs for both current and future markets. The marketing of these rig designs started at the end of 1996 and they have been well received by the market.

There has been a marked growth in the number of assignments for the rebuilding of existing rigs and tank boats as deep water drilling rigs, production rigs, storage ships and floating production and storage ships. Framnæs Engineering has experience and reference contracts in this area which are of great importance when customers chose an operator. The

customers are both national and international owners.

Engineering supplies to industry proved to be an area of high activity in 1996. A contract was signed with Norsk Hydro in 1995 for the project planning of a new PVC factory. The main project was completed during 1996, with some follow up tasks in 1997. The project is likely to be of importance to the company as a reference project and as experience in the execution of large projects.

Activity in the shipping market has been at a stable level with ferry companies as the most important customers. Framnæs Engineering produces its own ship designs for a variety of special purposes, but this has yet to result in business of any great volume. During 1996 the company developed a new concept for the strengthening of doors on car decks in connection with the introduction of new regulations. The product was well received by the market and towards the end of the year contracts were signed for sales to three ferries. From 1995 Framnæs Engineering has offered itself as a total supplier of products where a significant degree of engineering skills is involved. This produced early results in 1996 and the company will increase its emphasis on environmental products and supplies to the offshore and shipping markets.

A considerable number of industrial expansion assignments will be carried out in the geographic area local to the company during 1997, and the company is well placed to win such new contracts. The company expects increases in sales and profits in 1997.

Pan Fish AS

Pan Fish is a company engaged in salmon farming. The company is based in Norway and has activities in Norway, Scotland and Canada. Pan Fish is active in all parts of the value chain, from smolt production to the marketing and sale of finished products. The company's facilities are close to the main markets for the sale of salmon: Europe, Asia and North America.

Norsk Vekst has invested NOK 24.4 million in Pan Fish and has an interest of 21.4%.

Results

The group reported a loss before tax of NOK 2.0 million in 1996, as against a profit before tax of NOK 15.4 million in 1995. Operating revenues for 1996 were NOK 300.0 million against NOK 116.2 million in the previous year. The company's results for 1996 were strongly affected by production restrictions in Norway and lower European prices for salmon throughout the year.

The increase in operating revenues is a result of the company starting a sales and trading activity at the beginning of the year.

Business description

The main business of Pan Fish is located in Canada, where the company has two facilities for the production of fry, two smolt facilities, eight facilities for producing finished fish products and a slaughter facility. In Norway the company owns a concession for fry production, six concessions for producing finished fish products and a slaughter facility. During 1996 Pan Fish purchased Lighthouse of Scotland Ltd., a fully integrated fish farming

operation which consists of two facilities for the production of fry, six facilities for fish cultivation and a slaughter facility.

In order to ensure an optimal spread of market risk the sales division of Pan Fish has responsibility for all the group's marketing and trading of fresh and frozen salmon in Europe, USA and the Far East. In order to co-ordinate sales of the company's own production, sales offices have been established in each country where the group has production. The company has in addition set up T.C. Trading in Vancouver with particular responsibility for the Far Eastern markets.

The main objective of Pan Fish's activities is to control all stages of an integrated production of Atlantic salmon from hatching the spawn to the sale of finished products ready for the consumer. It is the company's view that salmon sales will increasingly take the form of pre-packed consumer products. In view of this Pan Fish is evaluating the possibility of engaging in the further processing of salmon, either alone or in some form of co-operation with others.

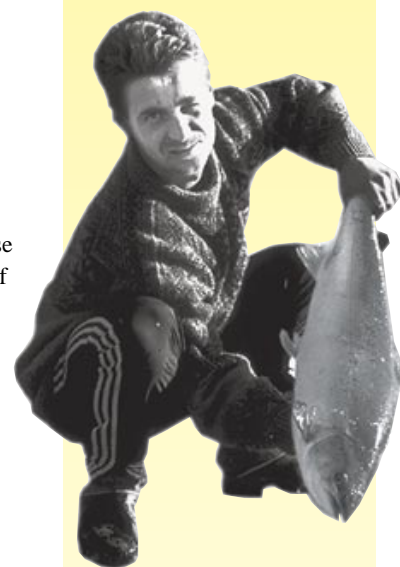
Total production of salmon in 1996 was 11,100 tons, of which 7,800 tons were sold, whilst total production on 1995 was 5,200 tons. The level of activity in Canada increased markedly through the year, and 1996 production was 4,700 tons. The composition of the company's stocks at the beginning of 1997 indicates that production and sale of some 13,000 tons can be expected in 1997, which represents the full production capacity of the company, after allowing for

production restrictions in Norway.

Total market production of Atlantic salmon in 1996 was some 550,000 tons, an increase of 100,000 tons from 1995. Of this total some 53% is produced in Norway, and 110,000 tons elsewhere in Europe. It was necessary to see prices fall by 15% compared to 1995 in order to attract purchasers for this quantity.

The biggest risk factors in salmon farming are price conditions, fish diseases, government regulations and EU trade restrictions. The greatest risk at present appears to be in the development of salmon prices and the industry's ability to adjust/regulate production so that it is possible to avoid excessive pressure on prices or the introduction of penalty tolls or quota arrangements. Pan Fish is less exposed to EU rules because the company produces half its volume in Canada and Scotland.

Pan Fish expects increased turnover in 1997 and a significant improvement in profitability.



Pan Fish is a fish farming company producing salmon.

Main Figures Pan Fish AS

(NOK mill)	1996*	1995	1994
Sales	300	121	129
Depreciation	15	8	7
Operating profit	5	24	17
Profit before tax	(2)	18	5
Profit after tax	(2)	17	7
Total assets	**	159	140
Book equity	**	70	14
No. of employees	240	89	72
Norsk Vekst's interest (%)	21,4		
Amount invested	24,4		

Chairman Erik Ramm

Managing Director Arne Nore

Norsk Vekst's representative on the Board: Øyvind Aasbø

* Provisional figures at 26 February 1997 ** Figures not available

Scandinavian Retail Group ASA (SRG)



The VIC shopping concept.

SRG is a major distributor of women's and menswear in Norway. The company undertakes its own wholesale operations and sells its products through an integrated franchise and self-owned chain of profiled stores (240 stores in total). The business is based on a high level of service and efficiency in marketing, purchasing and distribution. SRG has a well established concept with well-known brands such as Voice of Europe, Va Vite, Henry Choice, Boys of Europe, Ultra Sport and Jean Paul.

Norsk Vekst has invested NOK 23.8 million in Voice of Europe (first investment 1995) which gives it a holding of 7.7%. Norsk Vekst is contracted to purchase a further 60,000 shares for a total consideration of NOK 8.7 million.

Main Figures Scandinavian Retail Group ASA

(NOK mill)	1996	1995	1994
Sales	942	580	440
Depreciation	17	12	8
Operating profit	12	4	28
Profit before tax	4	(4)	18
Profit after tax	2	(4)	16
Total assets	345	214	190
Book equity	117	77	57
No. of employees (inc. part time staff)	458	447	-
Norsk Vekst's interest (%)	7.7		
Amount invested	23.8		

Chairman Bjørn G. Reed
 Managing Director Kristoffer Olsen
 Norsk Vekst's representative on the Board: Lars A. Grinde

Results

The group showed a profit before tax of NOK 3.8 million in 1996 as against a loss before tax of NOK 4.5 million in 1995. Operating revenues increased from NOK 580.3 million in 1995 to NOK 941.6 million in 1996. The Norwegian wholesale business reported turnover of NOK 425 million in 1996 as against NOK 364 million in 1995. This activity produced a profit before tax of NOK 12.3 million in 1996 as against NOK 21.9 million in the previous year. SRG's retail sales were NOK 361.8 million in 1996 as against NOK 295.5 million in 1995. The loss before tax from retail activities was NOK 4.4 million, as compared to a loss before tax of NOK 16.3 million in the previous year.

Business Description

The results from wholesaling can be attributed to a weak youth market and pressure on margins, particularly for menswear. The company plans to increase earnings by integrating a number of the company owned shops. The company's philosophy for the wholesale operation is to create product concepts aimed at particular target customer groups which creates identity, visibility and total experience.

The company-owned stores account for an increasingly large part of the wholesale business and contributed to increased earnings at this stage. A process of rationalisation for smaller and less profitable shops, as well as a new computer system are expected to contribute to better control of gross earnings. SRG now has 240 shops in total, and the retail philosophy is to offer the customer a shopping experience

of products and service with «value for money».

Voice of Europe AS merged with the purchasing chain Kvalitex at the start of 1996. The new corporate structure is now well established and Voice of Europe AS, as the acquiring company, has changed its name to Scandinavian Retail Group ASA. The Kvalitex chain had 88 shops with retail sales of NOK 680 million and a wholesale business turnover in excess of NOK 260 million. The chain of VIC shops alone produces turnover today of NOK 360 million, which is expected to be increased by opening new shops.

SRG has entered into an in principle agreement for a merger with the clothing chain Samtex which trades under the shop name Match amongst others. Samtex has 140 shops with annual retail sales of NOK 650 million and a wholesale turnover of approximately NOK 330 million. SRG has already purchased 20 Match shops from this chain and these account for retail sales of approximately NOK 60 million.

SRG is seeking to concentrate its future sales around a single identity in each of the main sectors of women's clothing, menswear and jeans. Product identities which each attract considerable sales volume give increased marketing presence. The retail shops are currently being re-organised to arrange the location of the new product identities and increase the product range.

SRG expects increased sales and better results in 1997.

MaXware AS

MaXware develops and markets software for electronic messaging and database systems. The company delivers complete systems of applications and systems for the electronic exchange of information on the Internet, X 400 and other open standards. MaXware was merged into Kvatro-Notis AS with effect from 1 January 1996, and the new company operates under the name MaXware AS.

Norsk Vekst has invested NOK 17.5 million (first investment September 1995), representing an interest of 46.4% in the company.

Results

MaXware recorded a profit before tax of NOK 1.9 million in 1996 and operating revenues totalled NOK 60.4 million.

Business Description

The Nordic countries are the company's principal market, but efforts are also being devoted to cultivating partners for international sales. MaXware has leading technical skills in its product areas. The company's products are used throughout the world by post offices and telecommunications companies among others. MaXware's customers are principally large public organisations and companies which need professional communications systems. The head office of MaXware is in Trondheim, with branches in Oslo, Tønsberg, Stockholm, San Francisco and Washington DC.

Developments in 1996, including a re-focusing of the activities, product development and the creation of a network of international partners, have paved the way for long-term

growth and profitability. The company sold its archiving activity and the ON-file product to Telenor Allianse with effect from 1 September 1996.

Much has been done to position the company as a supplier of complete systems based on a broader range of products and services within the area of electronic message exchange. The company has entered into strategic alliances with a number of international players for this reason. MaXware will now co-operate with the American company Isocor on product development and marketing, as well as working with the Dutch company Ediport which offers access to leading EDI (Electronic Data Interchange) products and the most important markets in Europe. In addition Digital Equipment Corp. is to use MaXware's expertise and products at its European head quarters, and the Dutch company Getronics is to sell MaXware systems internationally.

MaXware has strengthened its position on the company's Nordic home market. A subsidiary, MaXware AB, has been established in Stockholm, and the development of a sales, support and project organisation is underway. Important reference customers, such as the Swedish Post Office and Statskontoret have been signed up. As of 1 December 1996 the company acquired Dialogue Systems AS in Tønsberg. The acquisition brings important complementary products and expertise to MaXware's main areas of concentration and further strengthens its position in the Norwegian market.

Further development of the

company's database product Techra has taken place, creating new opportunities nationally and internationally. This product is sold world wide by Schlumberger, and customers include IBM in Texas who use Techra for processing seismic data.

Growth continues in the market for the company's products and services. Most organisations have now installed e-mail systems, but there is an increasing need for value added systems such as directory services (X.500), gateways, improved security, EDI and electronic exchange. With its in-house product and service developments, the increased product range from its international partners and new marketing outlets the company is well positioned to take a share of this growth in the market. The company expects increased turnover and profits in 1997.



MaXware's e-mail product MailmaX.400 was used on the 1996-97 Antarctic expedition from Sør-Rondane

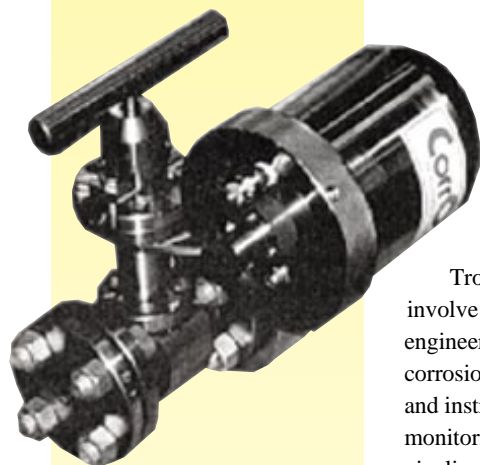
Main Figures MaXware AS

(NOK mill)	1996	1995*	1994*
Sales	60	53	42
Depreciation	3	2	2
Operating profit	2	3	0
Profit before tax	2	3	0
Profit after tax	2	3	0
Total assets	36	20	18
Book equity	18	10	7
No. of employees	98	85	65
Norsk Vekst's interest (%)	46,4		
Amount invested	17,5		

Managing Director Ottar G. Kristiansen
Norsk Vekst's representative on the Board: Jarle Gundersen (Chairman)

*Figures for Kvatro-Notis before the merger

CorrOcean AS



RCP anode
installed on a seawater
pump

CorrOcean is a high technology company established in 1982 with its origins in the University environment located in Trondheim. The activities involve consultancy and engineering services in corrosion, strength of materials and instrumentation for the monitoring and inspection of pipelines and process plants. CorrOcean was established with a basis in the oil and gas business in the North Sea, but has gradually expanded into other markets. The company has subsidiaries in Great Britain, Italy and the USA.

Norsk Vekst has invested NOK 15 million in CorrOcean (first investment 1994) and has a 33.8% interest in the company.

Results

The group recorded a profit before extraordinary items and tax of NOK 9.4 million in 1996 as against a loss of NOK 3.2 million in 1995. Net extraordinary items booked in 1996 amount to a loss of NOK 2.8 million, which represents the difference between write off of capitalised development costs (tax motivated) and partial write-off of a risk loan.

Main Figures CorrOcean Group

(NOK mill)	1996	1995	1994
Sales	77	50	64
Depreciation	2	1	2
Operating profit	8	(3)	6
Profit before tax and extraordinary items	9	(3)	6
Profit after tax	5	(3)	4
Total assets	51	44	47
Book equity	31	24	20
No. of employees	106	92	87
Norsk Vekst's interest (%)	33,8		
Amount invested	15,0		

Managing Director Roe D. Strømme

Norsk Vekst's representatives on the Board: Øyvind Aasbø (Chairman) and Trond Bjørnøy

Operating revenues increased from NOK 50 million in 1995 to NOK 77 million in 1996. CorrOcean was able to demonstrate growth in the product area of Field Signature Method (FSM) during 1996 and the order book for this product is significantly better than was the case a year earlier. Sales of the Sandmonitoring (SM) system have increased well over the last 2 - 3 years and increased efforts are being devoted to further expansion in new offshore locations such as the USA and South East Asia. CorrOcean's engineering and consultancy activities doubled their turnover in 1996.

Business description

CorrOcean's activities include the development, production and sale of instruments, software and other equipment needed for monitoring the condition and rate of corrosion of pipes and process equipment in industry.

The Field Signature Method (FSM) developed by CorrOcean is an advanced technology through which, by recording changes in electrical fields, it is possible to measure material deterioration in pipes and other steel and metal constructions. The method can also be used to detect and monitoring cracking in a variety of installations. FSM can be installed on steel and other metal structures, piping systems and ships of all sizes. The method represents an effective technique for checking areas which are difficult to access. FSM is a patented method. FSM saves costs for users through a reduction in expensive inspection (pigging), choice of cheaper steel qualities or thinner materials and through optimal dosing of corrosion

inhibitors.

The Sandmonitoring (SM) system was also an in-house development. This method uses sensors to monitor gas or fluid flows. The sensors record particles such as sand in oil, gas and water. The equipment has proved to be very precise and reliable in single and multi-phase current systems. The monitoring equipment is used in production platforms offshore, on land and under water, and has made it possible for oil companies to optimise their production of oil and gas whilst at the same time avoiding abrasion wear to production piping.

CorrOcean's third area of activity is engineering consultancy, where the company offers services in the evaluation of materials and coatings, cathodic protection and maintenance planning. The increased level of activity reflects growth in all the areas of corrosion related services in which the company has expertise, as well as major contracts for inspection and maintenance planning.

In addition the company, working in co-operation with SINTEF, has developed a new product which solves problems which the oil industry experiences in the use of stainless steel pipes in seawater applications on platforms and the like. The large market for floating production installations and vessels is expected to provide a sound base for growth in turnover from this product in the future. CorrOcean expects increased turnover and improved profitability in 1997.

CorrOcean is planning a Stock Exchange listing in the course of the first half of 1997.

Powel Data AS

Powel Data was incorporated on 1 July 1996 as the result of Energiforsynings Forsknings-institutt AS (EFI) hiving off its software activities. The company develops software intended for electricity producers and distributors. In addition to developing and selling software, Powel Data also supplies related services and support.

Norsk Vekst has invested NOK 9.9 million in Powel Data AS and has a 40.6% interest in the company.

Results

The company recorded a loss before tax of NOK 2.5 million in 1996, and had operating revenues of NOK 15.1 million.

The results were affected by one-off costs and are not representative of a full year's operation. All start up costs, and the costs arising from the agreement with EFI have been charged to the accounts.

Business description

From its central position in Norwegian energy supply and power generation, EFI has developed as a national and international centre of expertise. EFI's activities as a supplier of software had become such that it was desirable to create a clearer delineation between this activity and the continuing research activity. The products supplied have considerable commercial potential which can be realised by a focused commercial initiative which is different in character to the activities normally associated with a research institution. In order to realise this potential it was necessary to introduce a different organisational structure.

Powel Data AS is to be a professional supplier of software for the electricity supply sector in Norway and abroad, taking as its starting point the customers' need for computer tools in their planning, operation and maintenance of electrical power generation plants and systems. By developing software in-house and integrating other suppliers' products Powel Data AS will build on its technical skills and R&D achievements to offer products and services to contribute to the efficient planning and operation of customers' energy supply systems.

The company's products fall into two main categories. Netbas is a calculation and documentation system for power generation plants. IDSystem is an integrated concept offering modules appropriate to a number of tasks relevant to producers, distributors and other players in the energy market.

In Norway Netbas is by far the dominant product in its market, and has been sold to the majority of electric power plants in Norway over a certain size. New modules are in the course of development which will contribute significant sales revenues in future years. Outside of Norway, Netbas is installed in electric power plants in Denmark, Sweden, Iceland as well as Gaza. The market share in Denmark is 80%, but only around 20% in Sweden.

ID-System is a relatively new system (completed in 1996) which was developed in co-operation with the industry. The system has proved a success to date, and is already installed in some 25 larger electric power stations. The product has considerable potential in export markets, and the company will concentrate on Sweden in 1997.

The company anticipates increased turnover and better profitability in 1997.



Powel Data develops software for electricity producers and distributors.

Main Figures Powel Data AS

(NOK mill)	1996*
Sales	15
Depreciation	0
Operating profit	(3)
Profit before tax	(3)
Profit after tax	(3)
Total assets	15
Book equity	5
No. of employees	41
Norsk Vekst's interest (%)	40,6
Amount invested	9,9

Managing Director Jon E. Værnes

Norsk Vekst's representative on the Board: Jarle Gundersen (Chairman)

* Incorporated 1 July 1996

Synnøve Finden Meierier AS



Synnøve Finden Meierier launched a new "Brunost" in January 1997

The company produces dairy products including a range of hard and soft Norwegian cheeses. The origins of the company date back to the 1920's, when Synnøve Finden produced pultost, a soft Norwegian cheese.

Norsk Vekst has invested NOK 8.0 million in Synnøve Finden Meierier giving a 41.3% interest in the company. In addition Norsk Vekst has made a convertible loan available to the company of approximately NOK 4.8 million which would, if converted, increase Norsk Vekst's interest to 49.9%.

Results

The company reported a loss before tax of NOK 10.0 million in 1996 as against a loss before tax of NOK 0.5 million in 1995. The loss for the year is to all practical intent a result of start up costs at the new facility in Alvdal. Operating revenues increased from NOK 11.6 million in 1995 to NOK 43.0

million in 1996 as a result of the launch of a new cheese, Synnøve Gulost, in the autumn of 1996.

Business description

The company operates today from a modern industrial facility in Enebakk where it produces a range of Norwegian cheeses from partly processed ingredients. This was the company's only facility until the second half of 1995, when the company purchased a dairy facility in Alvdal from A/L Østlandsmeieriet which had been closed down in the previous year.

Synnøve Finden Meierier has invested significant amounts in equipment and modernisation and the Alvdal facility is now a modern plant with an annual capacity of 30 million litres. The new dairy started operations in June 1996, with the production of a cheese sold as Synnøve Gulost. The marketing of the new cheese started in September and it was very well received by both consumers and the grocery chains. Synnøve Finden Alvdal launched a second cheese, Synnøve Brunost, in January 1997.

Synnøve Finden Meierier produces for the moment processed products such as cheese and butter. The company's objective is to take a 20% market share for the principal Norwegian cheese varieties brunost and gulost. As a result of the high level of demand for its products the company is planning to extend the Alvdal dairy facility, increasing production capacity to 60 million litres annually. The extension work is expected to be finished by August 1997, and the cost is to be met by a private placing of shares. Synnøve Finden

Meierier is also considering the production of liquid dairy products.

The government's annual agriculture agreement in 1995 gave a clear political signal for competition in the dairy industry. This has been a monopoly with Norske Meierier as the sole operator, but a number of competitors were established in the course of 1995. As well as Synnøve Finden Meierier other dairy companies such as Gårdsmeieriene AS from Toten have started operation. There are new marketing arrangements for milk from 1 July 1997 and new arrangements for price controls and the payment of subsidies to producers.

Synnøve Finden Meierier looks forward to a neutral system whereby all participants in the processing chain will receive the same treatment. It also expects the new marketing arrangements to make it easier for players in the market other than Norske Meierier to act on different price structures for different production uses of milk.

Synnøve Finden represents the first significant company to challenge Norske Meierier's position and has received much favourable media attention. The challenge for the future is to maintain this positive attitude towards the company and its products. Increased capacity will permit a significant growth in sales in 1997 and the company expects to see improvements in profitability.

Synnøve Finden Meierier is planning a capital raising exercise which will bring in NOK 30 million. Norsk Vekst will participate in the new issue and maintain its current percentage interest in the company.

Main Figures Synnøve Finden Meierier Group

(NOK mill)	1996	1995*
Sales	43	12
Depreciation	2	0
Operating profit	(6)	0
Profit before tax	(10)	0
Profit after tax	(10)	0
Total assets	61	17
Book equity	2	1
No. of employees	60	8
Norsk Vekst's interest (%)	41,3	
Amount invested	8,0	

Managing Director Dag Swanstrøm
Norsk Vekst's representative on the Board: Jarle Gundersen (Chairman)

*AS Synnøve Finden Meierier and Synnøve Finden AS

Cogen AS

Ulstein Miljøenergi AS was established in 1993 in order to invest in power generation plants using the engine technology developed by Ulstein Bergen AS. In 1995 the company changed its name to Cogen AS.

Cogen's business is the production and sale of electrical and thermogenic energy, which it does by investing in small- and medium-sized power and heat plants. In addition to investing its own funds, Cogen can arrange external financing. As well as arranging the financing of projects, Cogen can take on the role of total supplier, including design, construction and operation of the plants.

Norsk Vekst has invested NOK 7.1 million in Cogen (first investment 1993) and has an interest of 60%.

In addition Norsk Vekst is committed to invest a further NOK 7.5 million, and will have an interest of 42.8% when the share capital is fully paid-in.

Results

The company recorded a loss before tax of NOK 1.9 million in 1996, as against a loss of NOK 1.0 million in 1995. Operating revenue increased from nil in 1995 to NOK 0.7 million in 1996.

Business description

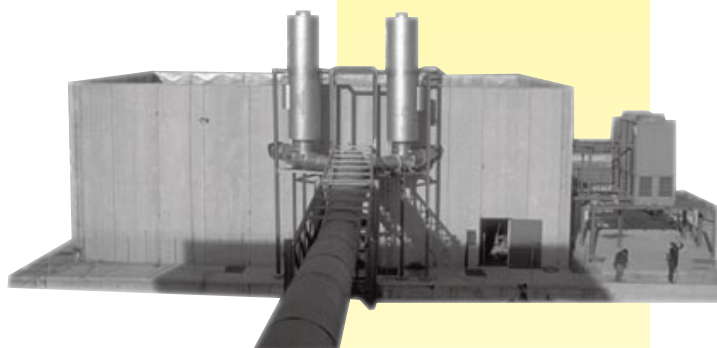
The company has established a joint venture agreement with Ulstein Bergen AS which will provide access to investment projects and follow up of investments made. The Board of Cogen appointed a managing director to the company in July 1995 in order to increase the resources committed to the preparation and implementation of new projects.

The company entered into a contract in March 1996 for the supply of the first turn-key gas powered power station to be based on the Ulstein Bergen technology. The plant is under construction in southern Italy and will supply power to the state owned power company ENEL. The plant will have a capacity of 5.25 MW and is expected to be ready to go on-line in February 1997. The company is currently working on specific projects in several other countries.

In today's world, attention is focused on energy sources which are environmentally friendly and efficient.

Gas is the fastest growing energy source in world energy production. The world's natural gas resources are enormous and the infrastructure to produce and transport gas is developing rapidly. In addition there is considerable potential for utilisation of biogas with the resource-saving advantages that this represents.

Ulstein's «Lean burn» motors fuelled by gas have proved to be very competitive with regard to energy and electricity efficiency, emission levels, operational reliability and expected lifetime. The discharge of pollutant fumes is much lower per kilowatt hour produced.



Cogen's business is an attractive one, seen from the perspectives of both market demand and profitability. The company's main market is very large, and is growing. However the attractions of market demand and profitability are expected to attract increasing and more knowledgeable professional competition in the future. Cogen will concentrate its activities on a small number of selected European markets during 1997 and expects to invest in 2 - 3 new projects during the year.

Cogen's first investment is in a 5.2 MW power station at Grumen to Nova in Italy. The plant commences generation in February 1997

Main Figures Cogen AS

(NOK mill)	1996	1995	1994
Sales	1	0	0
Depreciation	0	0	0
Operating profit	(2)	(2)	(1)
Profit before tax	(2)	(1)	(1)
Profit after tax	(2)	(1)	(1)
Total assets	9	11	11
Book equity	8	10	11

No. of employees	1	1	0
Norsk Vekst's interest (%)	60,0		
Amount invested	7,1		

Managing Director Bjørn Bergesen
Norsk Vekst's representative on the Board: Trond Bjørnøy (Chairman)

Other Norsk Vekst investments

Norsk Vekst made its first investments in the companies IntraMedia AS and Multimedia Norge AS during 1996. NOK 10 million was invested in IntraMedia in December, giving a 17.5% interest, whilst NOK 0.5 million was invested in Multimedia Norge in July to give a 40% interest in that company. It was decided in 1997 that Multimedia Norge would merge with Edutainment Software Systems (ESS), and in connection with the merger Norsk Vekst has granted a NOK 11.5 million convertible loan to the merged company. Conversion would give Norsk Vekst a 36% interest.

Intra Media AS

Intra Media's business idea is the development, operation and marketing of software and services for the digital communication of advertisements and graphic products between companies in the media markets. The company's activities include the creation and operation of an electronic infrastructure for distributing advertisements and one of the country's largest digital image databases. A range of different services based on digital technology will be offered to customers who connect to the infrastructure being developed.

From 1 January 1997 there is freedom of competition in the market for transmission of computer data in Norway. This competitive environment will bring about a significantly better choice of products for high speed transmission at much lower prices than are seen today. Because of the large volume of data used by media companies, and their need for a high level of quality in its processing, it is expected that

the end of the telephone company's monopoly will lead to structural changes in the media industry.

Electronic distribution will require efficient organisation of the logistics function if quality is to be maintained in the high speed transmission of information. High levels of expertise in program development, image processing, office organisation, communications and media technology will be required to develop and operate such a system. IntraMedia has significant competence in all the areas involved.

IntraMedia has developed the database necessary to interface digitally stored advertisements with the printed media. The company has also developed software for transmitting and receiving advertisements. The company's customers are expected to be both Norwegian advertising agencies and the printed media which receive advertisements on a nationwide basis.

Multimedia Norge AS (MMN)

The company issues, produces, markets and distributes its own range of Norwegian CD-ROM products. It also has direct agreements with producers of CD-ROM products in English for which it acts as a distributor. The company has agreements with leading CD-ROM producers in Europe and the USA.

The company intends to build a reputation in the market as a distributor of up to date quality CD-ROM products at the right price. Since its start in 1995 the company has established its position as a distributor, and has at the same time entered into agreements with foreign producers for the

reworking of their titles into Norwegian. MMN has also acquired exclusive distribution rights in Norway for some English language productions.

The market for CD-ROMs is increasing and covers the entire country. The vast majority of new PCs are now supplied with CD-ROM players, which is important if the customer is to be able to use MMN's products without any additional hardware expense. Falling software prices make it likely that new channels for sales will open up, and that existing channels such as book shops will increasingly concentrate on multimedia products. These developments will all increase the availability of MMN's products.

It was decided in January 1997 to merge MMN with Edutainment Software Systems AS (ESS). ESS is a producer of non-violent computer games and educational software on CD-ROM for children and young people. The merged company will be one of the country's leading contenders in the market for interactive games, books and educational software on CD-ROM. In addition the company is committing resources to the Nordic markets, where ESS already has sales activities in Sweden, Denmark and Finland.

The company's progress since it was established has been in accordance with expectations. MMN had a turnover of NOK 5.5 million in 1995, and ESS a turnover of NOK 8.5 million. The merged company expects growth in both turnover and profitability in 1997.

Kvatro Telecom

Kvatro Telecom develops soft-

ware and undertakes development projects directed towards the telecommunications market. The company has a number of international customers such as Alcatel, ETRI in Korea and Nippon Telegraph and Telephone, as well as a variety of research institutions and universities in Europe and in Asia. The company is 100% owned by MaXware AS, and it has been decided to carry through a demerger so that Norsk Vekst has a direct 46.4% interest in the company. Kvatro Telecom reported a profit before tax of NOK 1 million on sales of NOK 11.5 million in 1996.

§ 1

The name of the company is Norsk Vekst ASA.

§ 2

Norsk Vekst ASA is to carry on business based on commercial principles through providing equity and expertise for the development of preferably small and medium-sized companies with a potential for growth and profitability, including both newly established and established companies. Norsk Vekst ASA will invest in land-based industry and services industries which compete in foreign and domestic markets. The investments will, to the extent necessary for the development of the projects, have a long-term perspective. Norsk Vekst ASA will not invest in companies whose purpose is to carry on real estate development, own ships or offshore units or undertake banking or insurance activities. The company may invest together with other venture companies in its business area.

§ 3

The company's registered office is in Oslo.

§ 4

The company's share capital is NOK 600,000,030 divided into 6,666,667 shares of NOK 90, fully paid and registered in the Norwegian Registry of Securities.

§ 5

The company's Board of Directors shall consist of 5-8 persons, as decided by the General Meeting. The General Meeting is to elect the Chairman of the Board from among the members of the Board of Directors.

The period of service for members of the Board of Directors and the Chairman of the Board of Directors is to be up to two years at a time and not less than half of the members of the Board of Directors are to be elected at the annual general meeting of Norsk Vekst ASA. A quorum of the Board of Directors exists when more than half the members of the Board are present. Decisions are to be taken by the Board of Directors based on a simple majority of those attending. In the event of a vote being tied the Chairman will have the casting vote. Those voting in favour of a resolution must always amount to more than one third of all members of the Board of Directors.

§ 6

The Annual General Meeting is to be held by the end of June each year. Extraordinary General Meetings are to be held when decided by the Board or when required in writing by the auditor of the company or one or more shareholders who together represent at least one tenth of the share capital.

The General Meeting is to be convened by the Board on at least one week's notice. The notice is to be placed in two daily newspapers and written notice is also to be sent to shareholders with known addresses. The General Meeting is to be chaired by the Chairman

of the Board of Directors. Each share carries one vote at general meetings. All decisions are to be made by a simple majority of votes cast unless the Companies Act provides otherwise.

§ 7

The company's General Meetings are to be held in Oslo unless on special grounds it is necessary to hold the General Meeting elsewhere.

The Annual General Meeting will:

1. adopt the profit and loss account and balance sheet for the previous financial year ended 31.12 and audited,
2. pass resolutions on the application of the available profit or covering of the loss, in accordance with the balance sheet adopted and on the distribution of dividends,
3. adopt any consolidated profit and loss account and consolidated balance sheet,
4. elect members of the Board of Directors, auditor and members of the election committee.
5. determine the remuneration of Board members and approve the auditor's fees,
6. consider other matters specified in the notice of meeting.

§ 8

The election committee is to consist of three members. The members will be shareholders or representatives of shareholders. The election committee will elect its own Chairman. The election committee will present proposals on candidates for election as members of the Board of Directors.

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FINANCIAL CALENDAR

Thursday March 20	Annual General Meeting
Wednesday April 9	Payment of dividend
Wednesday May 7	Announcement of result for 1st quarter
Thursday August 21	Announcement of result for 2nd quarter
Friday November 7	Announcement of result for 3rd quarter

NORSK VEKST
Annual Report 1996



NORSK VEKST ASA

Haakon VII's gt. 2
0161 Oslo
Postbox 1223 Vika
N-0110 Oslo
Norway
Telephone +47 22 01 04 00
Telefax +47 22 01 04 04

Norsk Vekst

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Industry

Shipping