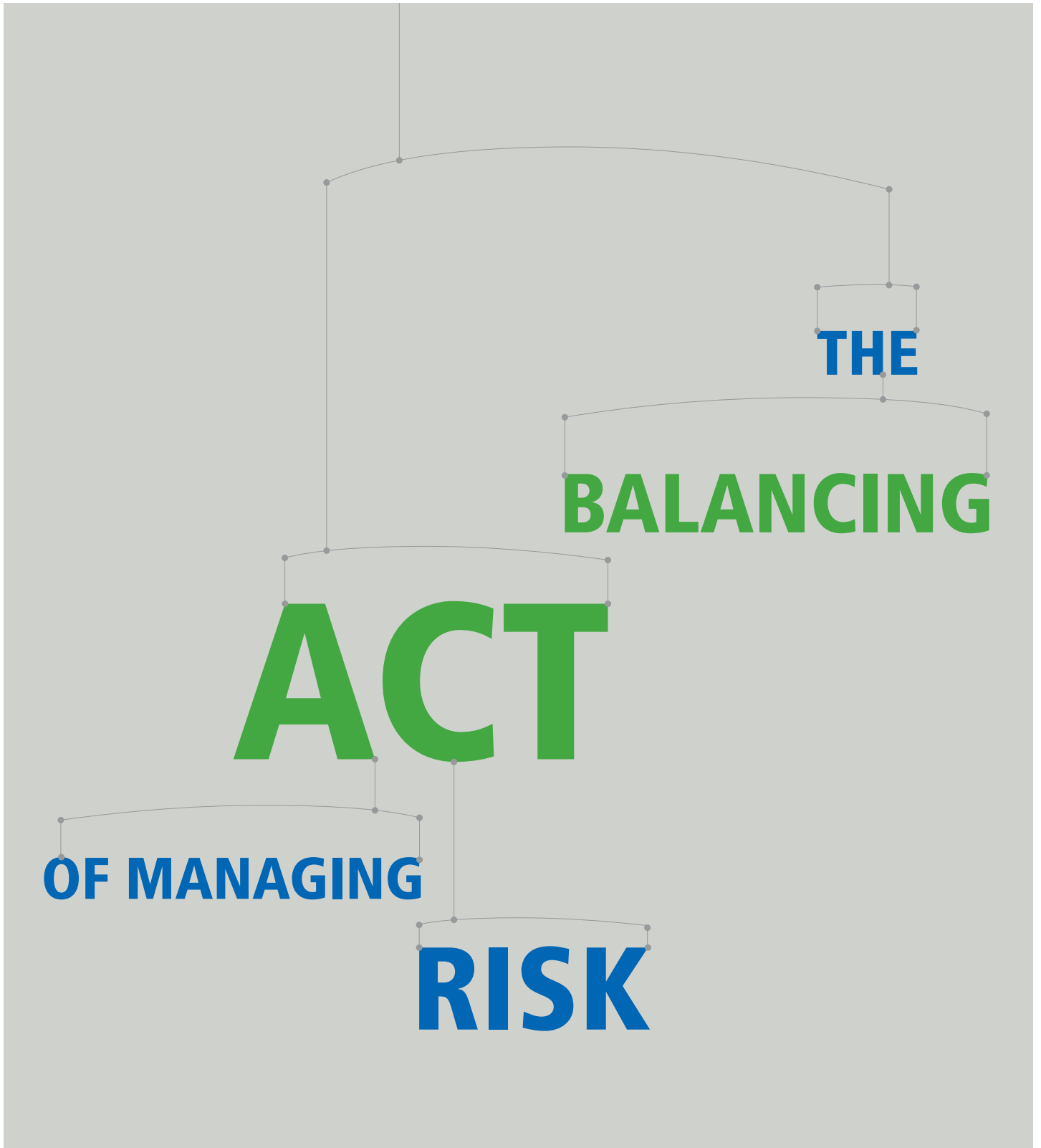


Annual report 2010





DNV BUSINESS ASSURANCE

Parque de Negocios Mas Blau. Edificio INBISA

C/ Garrotxa, 6-8, Pl. 3 Of.1

08820-El Prat de Ll. - Barcelona

Tel: + 34 93 479 26 00

Fax: +34 93 478 75 78

www.dnvba.com

Det Norske Veritas Business Assurance España S.L. (DNV España) materializa mediante esta carta su compromiso de formar parte del compromiso de implantación de los Diez Principios del Pacto Mundial en sus actividades y estrategias.

Det Norske Veritas es una organización implantada a nivel mundial que presta servicios de Managing Risk (Gestión de Riesgos), ayudando a sus clientes a alcanzar resultados sostenibles, convirtiendo sus riesgos en fortalezas.

Como dice nuestro Presidente y CEO, Henrik Madsen, la actual situación de la economía mundial hace más que nunca que nuestros servicios sean más relevantes y se ha realizado un esfuerzo por incorporar más servicios de Responsabilidad Corporativa y de Medioambiente, todo ello como consecuencia del compromiso adquirido con nuestra Visión de “Impacto Global para un Mundo Seguro y Sostenible”.

DNV es consciente de la capacidad que posee de impactar en la sociedad y en las empresas más que otras organizaciones porque presta directamente servicios para ayudar a otros en la mejora de su compromiso con algunos de los principios del Pacto Mundial. Es importante subrayar que DNV incorpora en su propia organización y estrategias, programas y acciones encaminadas a poner en marcha proyectos relacionados con los Diez Principios, ya que cree firmemente que dar ejemplo y ser transparente es importante para demostrar y reforzar su compromiso con la Sostenibilidad.

Desde nuestras oficinas centrales en Hovik (Noruega) se ha publicado la Memoria de Sostenibilidad de 2010 basada en GRI (G3). En esta Memoria se ha tenido en cuenta el progreso obtenido en cada uno de los Diez Principios del Pacto Mundial, integrando en los indicadores GRI el progreso obtenido en cada uno de los Principios del Pacto Mundial.

Link a la Memoria: <http://issuu.com/dnv.com/docs/dnv-annual-report-2010?mode=embed&layout=http%3A%2F%2Fskin.issuu.com%2Fv%2Fflight%2Flayout.xml&showFlipBtn=true&proShowMenu=true>

Los compromisos y estrategias publicados en esta Memoria nos afectan directamente en DNV España y los datos reportados a través de indicadores engloban parte de la información que desde España hemos reportado a nuestra casa matriz y que, conjuntamente con los datos de las oficinas de otros países, se han publicado en la Memoria de Sostenibilidad global.

Es parte de la estrategia de nuestra Compañía la centralización de la comunicación externa con nuestros stakeholders y por ello la Memoria de Sostenibilidad es una sola y única a nivel mundial y esta redactada en el idioma oficial de la organización, que es el inglés. Creemos que una única información para nuestros grupos de interés es la mejor herramienta para comunicar nuestro compromiso, para materializarlo y divulgarlo a todos ellos en cualquier rincón del Mundo donde DNV esta presente.

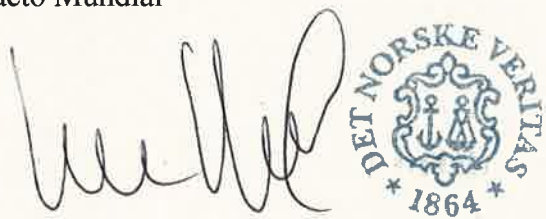
Conscientes de la dificultad que esto puede suponer para nuestras partes interesadas en España queremos destacar algunos de los puntos que en esta Memoria se tratan y demostrar los resultados obtenidos en nuestro país:

MEDIOAMBIENTE

Principio 7: Las empresas deberán mantener un enfoque preventivo que favorezca el Medio Ambiente y Principio 8: las empresas deberán fomentar las iniciativas que promuevan una mayor responsabilidad ambiental

Para demostrar el compromiso con el Medioambiente DNV mantiene la certificación que obtuvo en 2008 con ISO 14001, derivado de esa estrategia todos los empleados se comprometieron a reducir su huella ecológica, introduciendo medidas en su vida privada encaminadas a reducir las emisiones y mejorar el medioambiente (programa WE DO). Estas medidas se materializaron en la prestación de ayudas económicas a los empleados para sufragar gastos que supusieran una inversión relacionada con la mejora de su impacto en el medioambiente, algunas de estas medidas fueron: cambio de electrodomésticos por otros de mayor eficiencia energética, compra de bicicletas para poder ir a trabajar en vez de ir con el vehículo propio o mejoras en las instalaciones para evitar despilfarros de agua o electricidad. Este programa ha sido mantenido y los empleados de España han podido disfrutar de ayudas para compra de electrodomésticos más eficientes, por ejemplo.

Sirva esta carta para renovar, desde España, nuestro compromiso con los Principios del Pacto Mundial



The image shows a handwritten signature in blue ink on the left. To the right of the signature is the official DNV logo, which is circular and contains the text "DET NORSKE VERITAS" at the top and "1864" at the bottom, with a central emblem featuring an anchor and a scale.

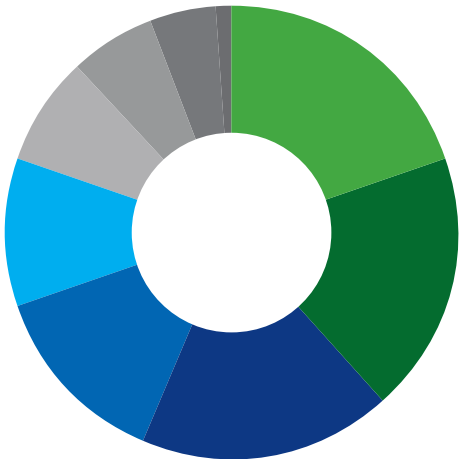
Firmado: Lars Appel. Country Manager DNV Business Assurance.

Worldwide presence

The extensive global network of offices is one of DNV's key strengths. In 2010 we brought more decision-making power closer to the customers by creating four geographical divisions with their head offices in Oslo, London, Houston and Singapore.



FIGURE 01 EMPLOYEES BY DIVISION

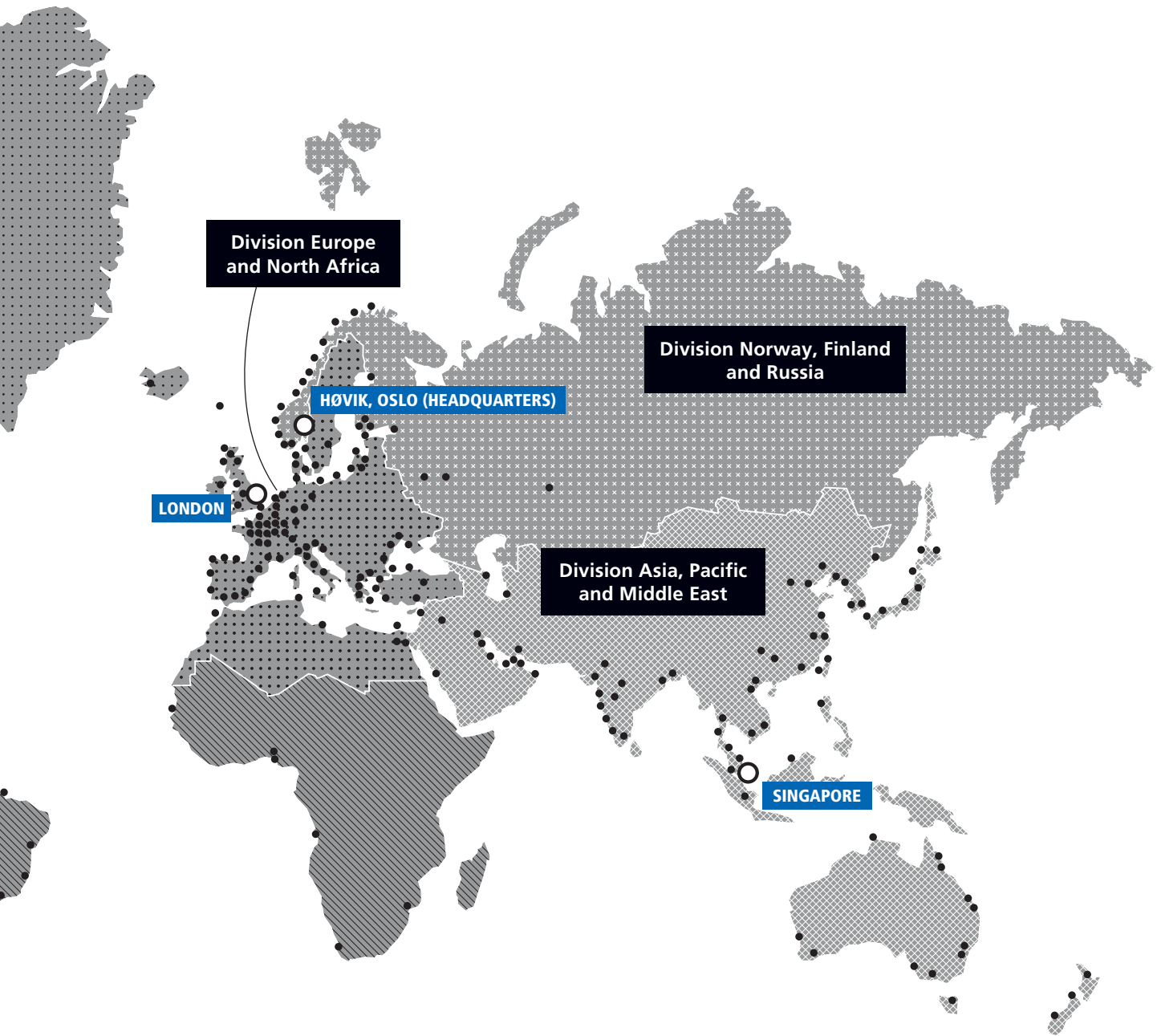


● Asia, Pacific & Middle East	1,671	19.8%
● Norway, Finland and Russia	1,570	18.8%
● DNV Business Assurance Group	1,525	18.0%
● Europe & North Africa	1,122	13.3%
● Americas & Sub-Saharan Africa	889	10.5%
● Independent Business Units	652	7.7%
● Governance & Global Development	519	6.1%
● Sustainability & Innovation	398	4.7%
● Corporate Units	94	1.1%
DNV Total	8,440	100.0%

FIGURE 02 EMPLOYEES BY NATIONALITY



● Norwegian	2,119	● Polish	223
● Chinese	721	● Swedish	204
● American	590	● Singaporean	195
● Indian	490	● French	194
● British	420	● German	190
● Korean	305	● Danish	174
● Brazilian	285	● Malaysian	105
● Italian	282	● Spanish	95
● Dutch	271	● Japanese	91



→ OFFICES WORLDWIDE

300

With 300 offices in 100 countries, DNV has extensive global reach.



→ EMPLOYEES WORLDWIDE

8,440

The number of employees was 8,440 at the end of 2010.



This is DNV

Companies and organisations operating in the global economy continue to increase in complexity. New technologies, global value chains and uncertainties related to future regulatory requirements are examples of risks and opportunities that need to be managed.

At the same time, consumers, owners and other stakeholders are adopting a zero tolerance for failure and demand improved performance, safety, transparency and accountability. It is a balancing act. DNV helps to identify, assess and manage risks in order to promote the right balance.

Companies and authorities all over the world rely on our independent assessment and non-compromising standards of quality, safety and integrity to build the trust and confidence of their stakeholders.

By combining risk methodology, technology expertise and in-depth industry knowledge, we enable our customers to safely and responsibly improve their business performance and turn risks into rewards.

As a self-owned independent foundation, any profits are ploughed back into the company, allowing us to invest a significant share of our revenue in research and development.

Our purpose

To safeguard life, property and the environment

Our vision

Global impact for a safe and sustainable future

Our values

We build trust and confidence

We never compromise on quality or integrity

We are committed to teamwork and innovation

We care for our customers and each other

Highlights

IMPORTANT CONTRACT AWARD AFTER DEEPWATER HORIZON ACCIDENT

DNV was awarded a contract by the Joint Investigation Team of the departments of the Interior and Homeland Security in the USA. DNV's experts conducted a forensic investigation into the blowout preventer and lower marine riser package fitted to the Macondo well in the Gulf of Mexico. The forensic investigation is just one, albeit important aspect of the much broader comprehensive investigation into the causes of the Deepwater Horizon explosion and sinking, which led to the loss of life and a subsequent oil spill.

ACQUISITION OF RENEWABLE ENERGY COMPANY

DNV acquired Behnke, Erdman & Whitaker (BEW) to offer a more complete service portfolio for renewable energy developments in North America. BEW's office in San Ramon, California is now DNV's centre of excellence in solar energy, power transmission and grid integration for renewable energy.

CLEAN TECHNOLOGY CENTRE OPENED IN SINGAPORE

DNV opened a Clean Technology Centre to meet the growing demand for clean technology innovation and incubation services in Singapore and South East Asia. The Centre delivers innovative projects together with partners in the fields of renewable and clean energy, green ship and offshore solutions, green ports, climate change, and grids and electro mobility.

NEW ORGANISATIONAL STRUCTURE

Implementation of a new organisation with geographical divisions with the objective to serve our customers better. Elements include to move senior executives closer to customers, to increase the focus on the maritime and energy sectors and to build stronger positions within the sustainability domain. DNV Business Assurance Group is established as a separate DNV entity to support its goal of becoming the world's leading certification body.

NEW ENVIRONMENTALLY FRIENDLY SHIP CONCEPTS

DNV presented two ship concepts during the year to inspire innovative environmentally friendly thinking in the industry. The crude oil tanker concept (Triality) and the container ship concept (Quantum) also showcased LNG as a fuel option – something DNV advocated through various reports and papers during the year.

COST EFFICIENCY MEASURES

Due to overcapacity in the world fleet and the delayed effect of the global economic downturn, DNV's level of activity in the ship newbuilding market fell in 2010. The company responded by implementing efficiency and cost saving measures totalling some NOK 500 million.

CONTENTS

who we are

- 1FC Worldwide presence
- 02 This is DNV
- 03 Highlights
- 04 Key figures
- 05 Services
- 06 CEO's outlook
- 08 Board of Directors' report
- 12 Organisation
- 14 History

what we deliver

- 18 Ship classification
- 22 Oil and gas
- 26 Cleaner energy
- 30 Certification
- 32 Sustainability

how we work

- 36 Corporate Responsibility
- 38 Managing our people
- 40 Environmental management
- 44 Health and safety

financial

- 50 Financial review
- 55 Notes
- 66 Auditor's report
- 67 Global Reporting Initiative (GRI) Index
- 70 Contacts

Key figures

FIGURE 01 REVENUE (MILLION NOK)



FIGURE 01 REVENUE; LAST FIVE YEARS

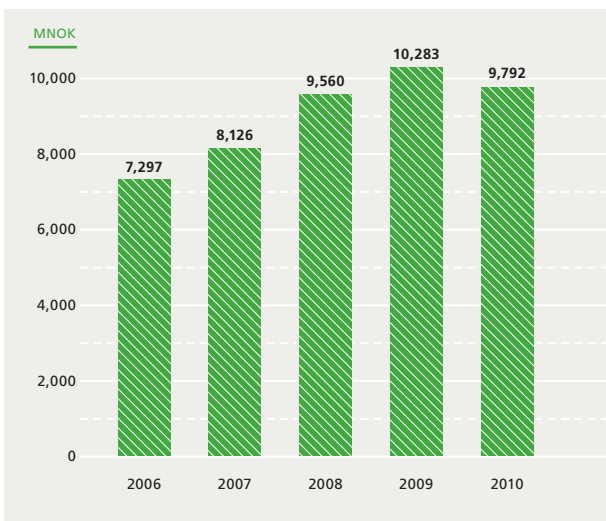


FIGURE 02 OPERATING PROFIT (MILLION NOK)



FIGURE 02 OPERATING PROFIT; LAST FIVE YEARS

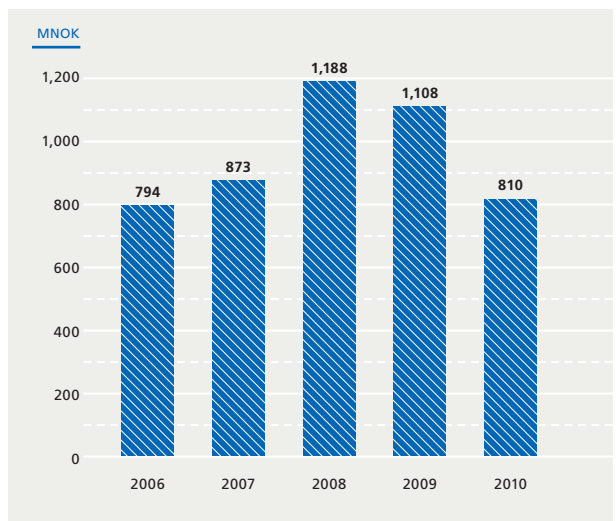


FIGURE 03 EQUITY RATIO (%)



FIGURE 03 EQUITY RATIO; LAST FIVE YEARS

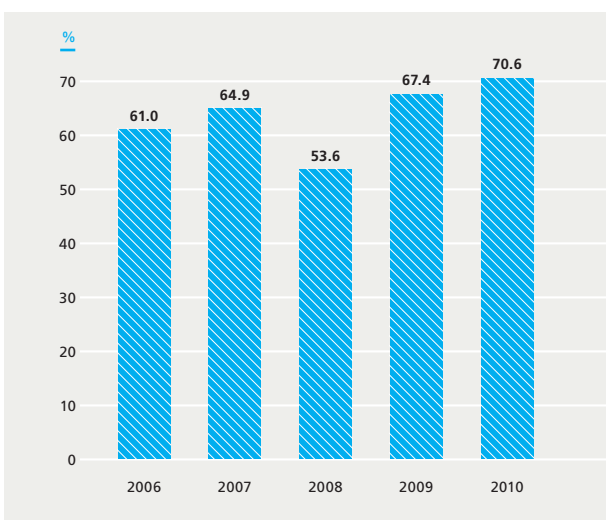
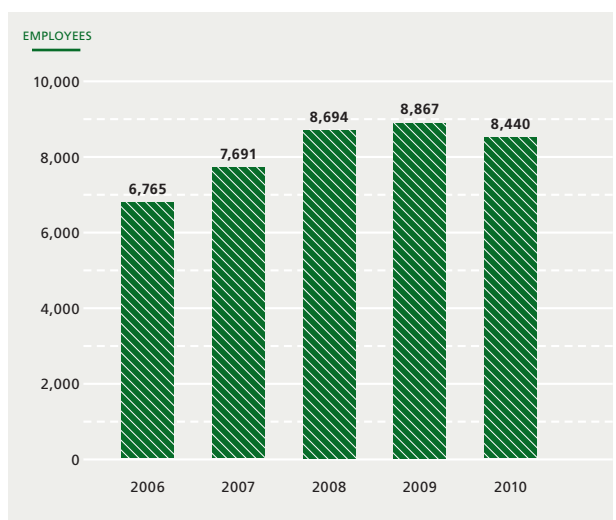


FIGURE 04 NUMBER OF EMPLOYEES



FIGURE 04 NUMBER OF EMPLOYEES; LAST FIVE YEARS



Main services

MARITIME



As a classification society, we help shipowners, yards, authorities and other maritime players to manage risks in all phases of a ship's life.

SERVICES INCLUDE:

- Classification of ships and mobile offshore units
- Certification of materials and components
- Technical, business risk, and environmental advisory services
- Training and competence-related services
- Fuel testing
- Software and IT risk management

ENERGY



We provide solutions to help energy companies manage technical and business risks, safety and environmental performance across the entire value chain. Services are to both the oil and gas sector and the renewable energy sector.

SERVICES INCLUDE:

- Verification
- Safety, health and environmental services
- Asset risk management
- Technology qualification
- Enterprise risk management
- Software and IT risk management

BUSINESS ASSURANCE



As a certification body, we help create trust and confidence and assure sustainable performance for companies across a variety of industry sectors.

SERVICES INCLUDE:

- Management system certification
- Product certification
- Supply chain certification and assessment
- Food safety certification
- Training

SUSTAINABILITY



We help businesses address two of the world's most pressing concerns: safeguarding the environment and balancing the needs of business and society.

SERVICES INCLUDE:

- Climate change and environmental services
- Corporate Responsibility
- Enterprise risk management
- Healthcare accreditation and rating services

A balancing act

One certainty follows in the aftermath of the tragic Deepwater Horizon disaster: offshore drilling will never be the same – even outside the Gulf of Mexico. Tougher safety and environmental protection legislation is on its way, but it is not clear how it should be enforced. This could entail changes for all industry players, including independent classification, certification and verification bodies such as DNV, and as such creates risks and opportunities that we are focused on addressing in the coming period.

CEO'S OUTLOOK

DNV'S INDEPENDENT STATUS and industry and technology experience were called upon in the Deepwater Horizon response operations and in the investigation into the disaster. We are also providing input on key elements for a future offshore safety regime in the Gulf of Mexico and other regions. We advocate a risk-based and less prescriptive approach that ensures safer operations while accommodating the rapid technological developments in the field of offshore drilling and production. It is a balancing act.

New environmental protection regulations will also be a major driver of change in the maritime industry in the years to come. Ballast water management and emission restrictions will require new solutions with respect to ship designs and operations, propulsion fuels, power generation, materials and equipment. The green agenda is a cornerstone of DNV's strategy. We support legislators and commercial players with a broad range of initiatives and services to meet the environmental and sustainability challenges facing the maritime industry. This has to go hand in hand with cost-efficiency in a shipping market hit by overcapacity in most tonnage segments. Again, it is about striking the right balance.

LIQUIFIED NATURAL GAS (LNG) as marine fuel is one of many new solutions that will gain ground in the shipping industry, in particular for new ship construction. Some challenges still have to be solved – in particular related to a global LNG

bunkering infrastructure. However, LNG is already a proven solution within specific segments and we believe that LNG fuel will be a game changer in shipping addressing several environmental challenges.

The present and expected future cost of natural gas is a key enabler. Recently, the natural gas market has undergone dramatic change mainly triggered by the massive shale gas resources found in North America and elsewhere around the world.

Gas is the cleanest of fossil fuels, but the need for affordable renewable energy sources remains essential in addressing the pressing climate change and energy security challenges. We see strong indications that we will reach an irreversible tipping point within the next ten years if we do not implement effective solutions to curb greenhouse gas emissions. This is a balancing act where the world cannot afford to fail.

I am an optimist about finding technological solutions to many of the world's challenges. I am convinced that, collectively,



commercial enterprises, regulators, research institutions and others are capable of finding sustainable solutions. The lack of stable global governance that seems to be emerging is therefore worrying, because it creates uncertainty about the future policy framework, both for regulators and commercial enterprises.

DNV ADDRESSES the climate change challenge in numerous ways: firstly, through the services, best practices and standards we provide within the fields of renewable

we aim to obtain certification of our occupational health and safety management system and to use our Corporate Integrity Profile tool on our own operations.

NEVERTHELESS, it is through our services and business performance that we have the most impact on delivering on our vision of having a global impact for a safe and sustainable future. One of DNV's challenges in the next few years will be to secure ships and mobile offshore units to

on implementing the new organisational structure and making it work optimally.

Another organisational change was the establishment of our certification business as a separate legal entity in order to allow for more autonomy and flexibility. This is to enable increased efficiency and faster growth in a consolidating certification market, where DNV aims to become the world's leading certification body. Growth also characterises our emerging healthcare activities. From established positions in the US and UK, we plan to launch healthcare related services to more geographical markets over the next few years.

” DNV provides risk management services to industrial businesses, helping them to balance risks and opportunities.

energy, energy efficiency, climate change and sustainability; secondly, by applying these standards and best practices for sustainability in our own operations. Our commitment to the principles of the UN Global Compact, our recently certified environmental management system and our WE Do programme for employees to reduce their private environmental footprint are all examples of that. In 2011,

DNV Class in a fiercely competitive, cost-focused market, while meeting our strict quality targets. That includes being the best performing class society measured by port state detentions. A key measure in 2010 was the reorganisation to serve our customers better, to secure better utilisation of our resources and bring decision-making authority closer to our customers. There will be a continuous focus this year

DNV PROVIDES RISK MANAGEMENT SERVICES to industrial businesses, helping them to balance risks and opportunities. Given our independent status, we also act on behalf of authorities and legislators and thereby take on the role of being an objective voice for business and society. Combining technology and industry insight with high integrity, is almost always a complex undertaking. Few do it better than DNV and that is why we thrive when performing this balancing act.

Henrik O. Madsen, CEO

Board of Directors' report

2010 saw DNV strengthen its leading position in helping companies worldwide to manage business, operational, technical and societal risks. The contracting shipping market interrupted several years of growth in revenue, but early measures to achieve cost efficiency ensured that the company is well placed to reach its ambitious strategic goals.

BOARD OF DIRECTORS' REPORT

Companies need to have safe and sustainable operations and meet increasing stakeholder scrutiny. Services for identifying, assessing and managing risk are in high demand, and DNV is in a unique global position to respond to most of these needs.

MARKET POSITIONS. The maritime industry witnessed a recovery in 2010, with more activity in the market than previously expected. The increased availability of financing combined with large discounts in the ship newbuilding market resulted in more than 2,000 newbuilding contracts globally. At the

same time, there were significantly fewer cancellations than in 2009. But there are still multiple challenges facing the shipping industry. With a world order book of nearly 7,500 ships there will most likely be an increasing oversupply and potentially pressure on freight rates in the coming years.

DNV managed to secure 302 new contracts in 2010, corresponding to 7 million gross tonnes (GT), which gives an estimated market share of 15.1% measured in numbers and 17.2% measured in GT. The DNV classed fleet grew from 5,725 (136.2 m. GT) ships and mobile offshore units in 2009 to 5,923 ships (145.6 m. GT) in 2010. This represents a growth of 3.4% and 6.9% respectively. A programme to secure the transfer of more vessels to DNV Class was initiated and has resulted in a significant improvement compared to the past ten years.

Continued efforts to promote LNG as a cleaner fuel for vessels strengthened DNV's position within this domain. The development and showcasing of a container and a VLCC concept ship helped to strengthen DNV's

position as an innovative force for a greener and more sustainable maritime industry.

Oil and gas companies decreased their spending in 2009 by 18% after the surge in 2007–2008. In 2010, spending rose again by 14%, driven mainly by the national oil companies with strong capital resources. The oil price has recovered from less than USD40 per barrel at the end of 2008 to over USD90 at the end of 2010. Verification, offshore classification, asset risk management, enterprise risk management and technology qualification services have contributed to a growth of 5% for DNV energy sector services in the past year. The tragic Deepwater Horizon accident in the Gulf of Mexico last April will lead to major changes in offshore safety regimes for deep water activities. DNV's key role in the aftermath of the incident is believed to have enhanced its position in the North American energy market.

DNV further strengthened its position in the growing renewable and cleaner energy sectors, notably in wind energy certification and technology services. The acquisition of the North American renewable energy consultancy

Behnke, Erdman & Whitaker Engineering, Inc. (BEW) further contributed to this. Accredited management system certification represents close to 15% of DNV's total revenue, positioning DNV among the top three certification bodies in the world in all industry sectors. The increased focus on cost efficiency and adding value to the customers has enabled DNV to tackle fiercer competition and increase its revenue. 2010 also saw DNV enter into a strategic alliance with JACO, a Japanese certification provider. Negotiations on a strategic partnership with Intertek were not successful.

Within the area of climate change, DNV continues to be an international market leader in the validation and verification of greenhouse gas emission reduction projects.

OPERATIONAL EFFICIENCY AND INNOVATION TO MITIGATE THE RECESSION.

The general downturn in the global economy hit DNV with around a nine months delay, notably because record-high order books for new ships and mobile offshore units prolonged the high activity level. This level was significantly lower in 2010, and will fall even further in 2011. However, DNV has responded effectively by introducing cost cutting measures introduced in 2009, aiming to increase organisational efficiency and maintain financial robustness. These measures were maintained in 2010 and included moderate salary increases, reduced travel expenses for internal activities, restricted external recruitment and local capacity adjustments, with cost savings totalling some NOK 500 million.

DNV continued to invest around 6% of its revenue in research and development activities. Extraordinary innovation projects were also launched as a means of taking a proactive approach to the economic downturn, and these focused on the novel application of existing technology.

FINANCIAL PERFORMANCE. Difficulties in the global economy and the expected reduced activity in the ship new-building sector contributed to a 5% drop in operating revenue to NOK 9,792 million from NOK 10,283 million in 2009.

The operating profit decreased by NOK 298 million or 27%, from NOK 1,108 million in 2009 to NOK 810 million in 2010. This represents an operating margin of 8.3%.

The sound return on the short-term financial

NOK 6,261 million, or 71% of its total assets. The equity increased by NOK 120 million in 2010, mainly due to unrecognised net gains on the plan assets in the defined benefit pension plans.

The accounts of the parent company, Stiftelsen Det Norske Veritas, show a profit after tax of NOK 61 million, which will be transferred to other equity. The Board of Directors confirms that the company is a going concern and that the financial statements have been prepared on this assumption.

The Board of Directors acknowledges the hard work performed by DNV's dedicated staff. Based on the goals achieved in 2010, the Board of Directors has decided to pay a bonus of 2.5% of basic salary to each employee.

Furthermore, the Board regards DNV's market positions as satisfactory and the financial status as strong. Both aspects give the company a robust platform from which to achieve its strategic growth targets and maintain its independence as a financially strong and trusted foundation.

STRATEGY. The 2010–2014 strategy was formulated in 2009, but underwent a review in 2010. The strategy clearly defines the maritime and energy sectors as DNV's focus areas. These are industries where the company has a strong position built on in-depth knowledge of the business drivers and the technologies required for safe and sustainable operations. The services to the maritime and energy sectors represented 73% of the business volume in 2010.

During the strategy period, the strongest growth is expected to come from the energy sector, spanning upstream and downstream oil and gas markets as well as renewable and cleaner energies. DNV aims to be the world's leading risk management service provider to the oil and gas industry in challenging operational environments. That includes revenue growth of more than 20% year-on-year in the deep water, pipeline and ageing offshore structure segments, while maintaining a dominant share of the market for classification of mobile offshore units in harsh and deep water environments. DNV aspires to become the world's largest provider of combined certification and technology services to the wind energy industry.

After experiencing something of a crisis in 2009, the maritime sector showed signs

regimes during a rolling three-year period. DNV intends to be the number one classification society measured by revenue from class activities. In addition, the company aims to grow its advisory services that help shipping companies run safe, clean and efficient operations. Based on these measures, DNV intends to demonstrate that it is the world's leading classification society.

Sustainability has been singled out as an area where DNV aspires to take a leading future position, not only by building on its existing strengths within climate change services, healthcare and corporate responsibility, but also by actively building completely new positions during the strategy period.

Based on the approach of Risk Based Certification™, DNV has succeeded in differentiating itself as a management system certification body that provides added value. Its goal is to become the world's leading certification body. Key success criteria will be to continue to focus and grow in the food and beverage segment and to expand in the product certification segment.

ORGANISATION. On 1 April 2010, DNV implemented a new organisation. The overriding objective of the reorganisation was to bring DNV closer to its main markets and customers by having four geographical divisions. In addition, Division Governance and Global Development was set up to support the maritime and energy operations in the geo-divisions, as well as to establish governance for DNV's services. Division Sustainability and Innovation includes climate change, healthcare, bio risk, corporate responsibility and risk management services. It also incorporates DNV's strategic research unit.

The market for accredited management system certification is exposed to extensive competition from both global certification companies and local providers. Certification services are organised in a separate Business Assurance unit. The Business Assurance unit which has been established as a separate group of companies. The main objective is to obtain the flexibility, autonomy and efficiency needed to achieve growth and profitability.

At year-end 2010, DNV had 8,440 employees, compared to 8,866 the previous year, reflecting recruitment restrictions and local capacity adjustments to mitigate market developments and constraints. The turnover of personnel was 8.2% in 2010 compared to 6.4% in 2009, the increase being partly due to the actions initiated by DNV. The sickness absence rate remains low at 2.2%. The company has 99 nationalities represented in its staff. DNV has an equal opportunity policy for all employees, irrespective of their nationality, gender or age. As a result of systematic efforts to improve diversity in the organisation, 67% of all managers are from countries outside Scandinavia. The percentage of female employees is relatively stable at 32% of the total workforce, while 21.4% of all managers are female, compared with 19.7% in 2009.

ENVIRONMENT. DNV affects the environment through its services and operations and through the behaviour of its employees. DNV's

” Sustainability has been singled out as an area where DNV aspires to take a leading future position.

investment portfolio and positive interest margins on the forward exchange contracts are the main contributors to the net financial income of NOK 101 million in 2010. The net profit after tax for 2010 is NOK 613 million, compared to NOK 854 million in 2009 and NOK 642 million in 2008. The cash flow for 2010 is positive.

DNV has a strong balance sheet with no interest-bearing debt and a total equity of

of recovery in 2010, much earlier than anticipated. However, new-building contracting is expected to be at a dramatically lower level in the coming years compared to the record years of 2007 and 2008. As a consequence, the strategy focuses on securing more ships in operation to DNV Class, while maintaining high quality levels, measured by being the best performer in port state control

own activities do not have a significant negative impact on the environment. Procedures and programmes for continuous improvement are in place for waste handling and energy savings in the international network of offices as part of DNV's environmental management system, which is certified to the ISO 14001 standard. There has also been tighter control on air travel, and advanced video conference facilities have been introduced to reduce non-essential air travel. The company's largest impact on the environment is estimated to be indirectly through the services it provides. DNV's impact on its customers' environmental footprint has been estimated for key services.

For the third consecutive year, DNV made NOK 40 million available for its employees to introduce emission-reduction measures in their private life. 3,705 employees applied for funds in 2010. Typical initiatives have been to cycle to work, to buy energy-efficient home appliances, hybrid cars and solar water heaters and to improve insulation in homes.

CORPORATE RISK MANAGEMENT. DNV continuously monitors its risk exposure on corporate and operational levels. This includes the SHE risk, market risk, political risk and

brand risk. The risks are systematically updated and handled on an operational level in the regions and divisions and then aggregated, monitored and managed at a corporate level.

CORPORATE RESPONSIBILITY. Corporate Responsibility (CR) can be defined as the overall sum of an enterprise's financial, environmental and social responsibilities. It entails a commitment to promote sustainable economic development and to collaborate with employees, their families and the local community and society-at-large to help foster a better quality of life.

DNV signed the UN Global Compact in 2003, and in addition to its financial reporting DNV is committed to reporting according to the principle of triple-bottom line reporting, based on the Global Reporting Initiative (GRI). This represents a balance which increasingly focuses on the necessity of aligning corporate goals with those of society. The reporting for 2010 meets the requirements of level B in the GRI reporting system.

FUTURE OUTLOOK. In general the financial situation in the world has improved over the last 12 months. The volume of international trade is increasing and the world continues

to consume more energy. Globalisation continues with few signs of national or regional protection measures being introduced. However, it is too early to call off the crisis, and there is still a risk of a challenging financial market in the future.

The Board of Directors believes that there will be a continued difficult period for shipping ahead with overcapacity and hard competition in most shipping and service segments, including ship classification. Shipbuilding has historically been more supply driven than demand driven which delays the recovery of this and other segments.

Investments in the energy sectors have returned to high levels and will create many opportunities for DNV in the coming years, within both the oil and gas and the renewable energy sectors. The environmental and sustainability aspects of business will increase in importance and DNV will continue to develop and take on roles and positions in these areas.

The Board of Directors believes that DNV's performance in 2010 demonstrates that DNV has the resource base, the capabilities and the aligned strategies needed in order to respond effectively to the challenges ahead.

THE BOARD OF DIRECTORS OF STIFTELSEN DET NORSKE VERITAS, HØVIK, 5 APRIL 2011



Atle Bergshaven
Chairman



Leif-Arne Langoy



C. Thomas Rehder



John H. Wiik



Hilde M. Tonne



Frances Morris-Jones



Christine Maidment



Odd Sund



Silje Grjøtheim



David McKay

GOVERNANCE

DNV is incorporated as a Norwegian private foundation, and is as such self-owned and independent. Its governance structure ensures that no single stakeholder group can have decisive control.

THE BOARD OF DIRECTORS. This is the foundation's highest authority. The Board of Directors consists of a Chairman and nine members. Six of these are non-executive directors elected from different business sectors served by DNV. Four members are elected from among the employees. The Chairman of the Board is Mr Atle Bergshaven.


THE COUNCIL. The main functions of the Council are to supervise the activities of the Foundation, to appoint the Chairman and the non-executive directors of the Board of Directors and to approve amendments to the DNV Statutes. The Council has 40 members who represent customers and other stakeholders. Six of the members are elected from among the employees. The membership structure ensures that no single stakeholder group has decisive control. The acting Chairman of the Council is Mr Walter Qvam.

THE CONTROL COMMITTEE. The Control Committee supervises the Foundation's finances, accounts and audit activities, and inspects records, correspondence, accounting vouchers and other information to the extent it finds necessary. The Council appoints

three members to the Control Committee from among its own members. Members of the Control Committee cannot hold any other position in the Foundation than their membership of the Council. The Chairman of the Control Committee is Mr Erling Øverland.

THE ELECTION COMMITTEE. The Election Committee submits recommendations on all elections to be held by the Council. It consists of three members elected from among the Council members who hold no other office in the Foundation, and of the Council Chairman and Vice Chairman. The Election Committee Chairman is always the same as the Council Chairman, currently Mr Walter Qvam.

See full member lists on:

 dnv.com/moreondnv/profile/management



BOARD OF DIRECTORS

1 ATLE BERGSHAVEN

Chairman of the Board of Directors. Member of the Board since 2003. Chairman and CEO of the Bergshav Group. Member of the boards of the Norwegian Shipowners' Association and North of England P&I Club. Council chairman of the Norwegian Hull Club and Council member of Intertanko and Newcastle University.

2 CHRISTINE MAIDMENT

Member of the Board since 2009, elected by the European employees outside Norway. HR Manager for DNV UK. Joined DNV in 1984.

3 DAVID MCKAY

Elected Deputy Member of the Board in June 2009 by the employees of DNV outside Europe, and joined the Board in August 2010 following the death of Yan Ma. Joined DNV in 1990. Principal Surveyor based in Houston, Texas.

4 HILDE M. TONNE

Member of the Board since 2008. Executive VP of Telenor Group since 2007, Deputy head of Asia region, Telenor Group since 2010. Formerly VP of Hydro and Saga. Member of the boards of Grameenphone Ltd (Bangladesh), Dtac Plc (Thailand) and Digi.Com BHD (Malaysia).

5 JOHN H. WIIK

Member of the Board since 2003. Managing Director of the Norwegian Hull Club. Chairman of the board of Fana Sparebank.

6 LEIF-ARNE LANGØY

Vice Chairman and member of the Board since June 2010. Former chairman and CEO of Aker ASA. Former chairman of Aker Solutions ASA. Vice chairman of The Resource Group AS. Chairman and CEO of Lapas AS.

7 C. THOMAS REHDER

Member of the Board since November 2009. Managing partner of Carsten Rehder GmbH & Co KG. Member of the board of the Hamburg Shipbrokers' Association, member of the council of German Shipbrokers' Association. Member of the board of BIMCO and member of the council (plenum) of the Hamburg Chamber of Commerce.

8 SILLE GRJOTHEIM

Member of the Board since 2007. Elected by the Norwegian employees of DNV. Head of the Department Rules and Standards at DNV Høvik. Joined DNV in 1993.

9 FRANCES MORRIS-JONES

Member of the Board since June 2009. Global Business Development Manager of Conoco-Phillips. Formerly VP of BP.

10 ODD SUND

Elected Member of the Board by the Norwegian employees in June 2009. Principal engineer at the Høvik office. Joined DNV in 1981.

ACKNOWLEDGEMENT. The Board of Directors was shocked and deeply saddened to learn of the sudden passing of Yan Ma on 26 June 2010. Yan Ma served as employee representative on the Board of Directors from 2007 and was a great resource to DNV and the Board and will be greatly missed.

Organisation

Since 1 April 2010, DNV has been organised into six divisions: four geographical divisions, a 'Sustainability and Innovation' division and a 'Governance and Global Development' division. DNV Business Assurance Group AS has been established as a separate entity.

DIVISION NORWAY, FINLAND AND RUSSIA

Serving primarily the maritime and energy sectors. The divisional head office is co-located with the corporate headquarters at Høvik, Norway.

DIVISION ASIA, PACIFIC AND MIDDLE EAST

Serving primarily the maritime and energy sectors. The divisional head office is in Singapore.

DIVISION AMERICAS AND SUB-SAHARAN AFRICA

Serving primarily the maritime and energy sectors. The divisional head office is in Houston, US.

DIVISION EUROPE AND NORTH AFRICA

Serving primarily the maritime and energy sectors. The divisional head office is in London, UK.

DIVISION SUSTAINABILITY AND INNOVATION

This division provides climate change, environmental services, corporate responsibility, risk management, biorisk and health-care services. It also comprises both DNV's Research and Innovation unit and the Sustainability Centre in Beijing.

DIVISION GOVERNANCE AND GLOBAL DEVELOPMENT

Established to drive the global development of services and technology expertise, enable cross-divisional synergies and drive operational synergies and consistency throughout DNV.

INDEPENDENT BUSINESS UNITS

DNV SOFTWARE develops software systems for design, strength assessment, risk analysis, asset life cycle management and knowledge-based engineering.

DNV PETROLEUM SERVICES offers fuel management solutions and performs fuel quality test services and bunker quality surveys.

DNV IT GLOBAL SERVICES provides IT risk management services.

DNV BUSINESS ASSURANCE GROUP AS

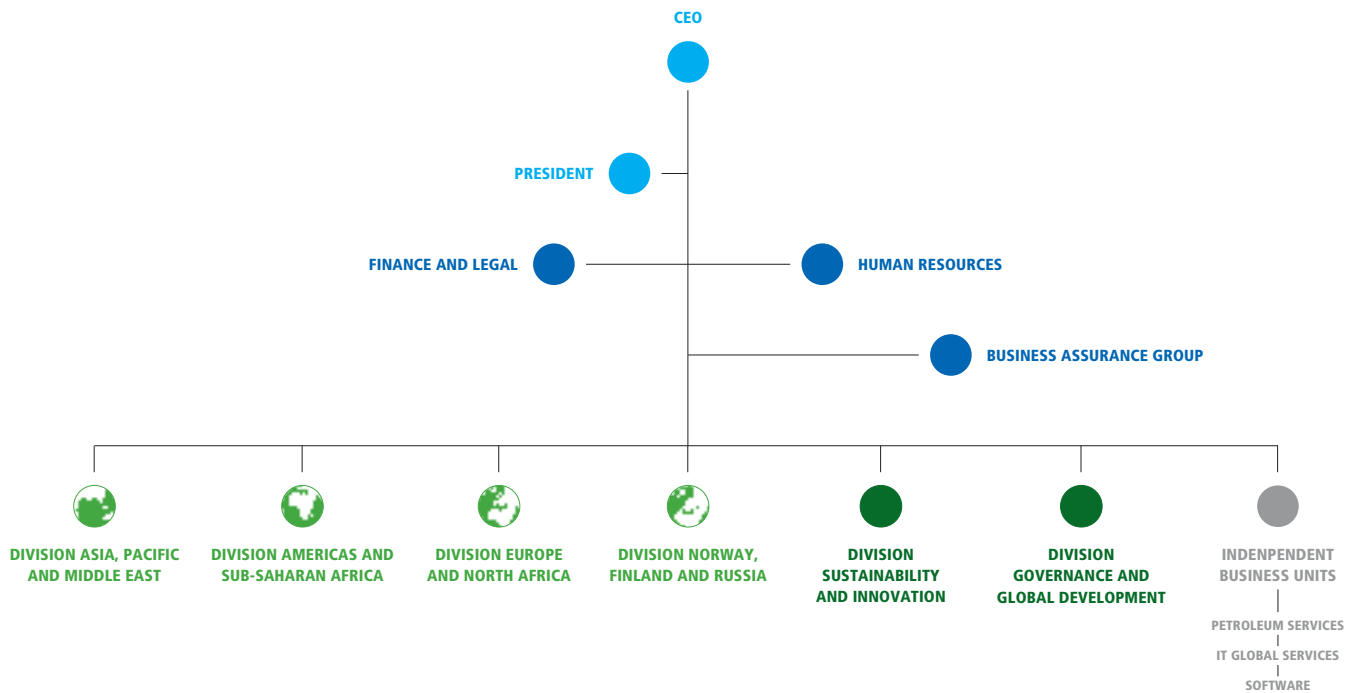
Comprises DNV's certification business, and was established as a separate legal entity with its own management system. This was to create greater flexibility and autonomy to grow both organically and non-organically. The entity is headed by Thomas Voght-Eriksen, who reports to the CEO. A Governing Committee for the entity has been established comprising DNV's CEO, the HR director, the CFO and the head of Business Assurance Group.



MANAGEMENT: The Executive Committee is the CEO's management team. It consists of the President, who also acts as the deputy CEO; the Chief Operating Officer of each of the divisions; the Corporate HR and Organisation Director; and the Chief Financial Officer.

The Executive Committee deals with issues and decisions related to strategy, budgeting, financial development, investments, pricing strategy, major management appointments and issues related to markets and customers.

In order to reduce travel, DNV has invested in advanced video conferencing facilities in all of its main locations. Many of the Executive Committee meetings in 2010 were conducted via video conferencing, connecting Høvik, Singapore, London and Houston.



EXECUTIVE COMMITTEE



HENRIK O. MADSEN
CEO

Appointed CEO of DNV in 2006. He joined DNV in 1982 and has held senior positions in all of DNV's business areas, both at headquarters and at regional level.



TOR E. SVENSEN
PRESIDENT

Appointed President in 2010 and has acted as deputy CEO since 2006. Chief Operating Officer of the Maritime business area since 2003. Has held senior positions both at Høvik and abroad.



JOSTEIN FURNES
FINANCE AND LEGAL

CFO since 2006. He joined DNV in 1988 and has held various financial positions both at Høvik and abroad.



CECILIE B. HEUCH
HUMAN RESOURCES

Director of Corporate HR and SHE since 2006. She previously worked for Norsk Hydro in Norway and Italy.

DIVISION ASIA, PACIFIC AND MIDDLE EAST



REMI ERIKSEN
CHIEF OPERATING OFFICER

Appointed COO of Division Asia, Pacific and Middle East in 2010 after being COO of the Energy business area since 2006. Joined DNV in 1990 and has held various positions in Norway and in the US.

DIVISION AMERICAS AND SUB-SAHARAN AFRICA



ELISABETH H. TØRSTAD
CHIEF OPERATING OFFICER

Appointed COO of Division Americas and Sub-Saharan Africa and joined the Executive Committee in 2010. Appointed Head of the Cleaner Energy unit in 2006. Has held several other seniors positions since she joining DNV in 1995.

DIVISION EUROPE AND NORTH AFRICA



IOANNIS KOURMATZIS
CHIEF OPERATING OFFICER

Appointed COO of Division Europe and North Africa and joined the Executive Committee in 2010. Held the position as Regional Maritime Manager for Southern Europe since 2001. Has also been Regional Manager of Japan, the Netherlands and North America. Joined DNV in 1976.

DIVISION NORWAY, FINLAND AND RUSSIA



KNUT ØRBECK-NILSSEN
CHIEF OPERATING OFFICER

Appointed COO of Division Norway, Finland and Russia and joined the Executive Committee in 2010. Has held several senior positions within the energy business area and worked for DNV in Japan. Joined DNV in 1990.

DIVISION SUSTAINABILITY AND INNOVATION



BJØRN K. HAUGLAND
CHIEF OPERATING OFFICER

Appointed COO of Division Sustainability and Innovation in 2010 after being COO of DNV Business Assurance since 2008. Former Regional Manager and Area Chair for Region Greater China. Joined DNV in 1990.

DIVISION GOVERNANCE AND GLOBAL DEVELOPMENT



OLAV NORTUN
CHIEF OPERATING OFFICER

Appointed COO of Division Governance and Global Development and joined the Executive Committee in 2010. Previously Maritime Technical Director. Has held several senior positions at Høvik and abroad. Joined DNV in 1990.

The history

DNV'S HISTORY IS ROOTED IN THE MARITIME SECTOR, STARTING IN 1864. SINCE THEN, DNV HAS ADDED NEW DIMENSIONS TO ITS BUSINESS: ENERGY, INTERNATIONALISATION, CERTIFICATION AND LATELY SUSTAINABILITY.

1864 DNV was established by Norwegian insurance companies as a national alternative to foreign classification societies.

1867 Agents, and later permanent surveyors, appointed in a number of countries to serve Norwegian vessels abroad.

1870 Steamships were introduced in the 1870's, and most of the sailing ships had been phased out by the 1920's.

1872 Samuel Plimsoll started the process leading to the compulsory load lines on every British ship, put into force in 1891.

1864–1880 First phase of growth, both in shipping in general and in the DNV Classed fleet.

1883 Norway had the third largest fleet in the world, measured in registered tonnage.

1888 First DNV surveyor to operate in China.

1900 Close to 100% of the DNV Classed ships were for Scandinavian shipowners.



MARITIME 1864–

1945 After the war, this cooperation culminated in a proposal by Lloyd's to buy DNV, and thereafter to a liberalisation process in DNV and the work aimed at developing new class rules. The cooperation between Lloyd's and DNV was subsequently terminated in 1952.

1940 During the Second World War, DNV was divided in two; one half in Newcastle, UK, and one half remained in the occupied Norway. This led to a close cooperation with Lloyd's.

1920 From 1920 to 1940 diesel engines were introduced as propulsion on new ships. DNV was quick to adopt this new technology and 'engineering surveyors' were recruited.

1914 The first International Convention for the Safety of Life at Sea (SOLAS) was adopted in response to the sinking of the Titanic.

1912 Following the Titanic disaster, safety at sea became the subject of increasing public concern, and grew from simply safeguarding the ship to safeguarding passengers.

1910 The Norwegian parliament voted on regulations for compulsory Norwegian load lines.

1907 DNV loosened its ties to the insurance clubs and became a regular certification and classification society.



1948 The International Maritime Organisation (IMO) was created.

1951 Georg F. Vedeler was appointed managing director of DNV. He introduced a scientific approach to ship construction. His vision was to build safer ships in a more profitable way.

1953 As the first classification society to do so, DNV published new rules, based on an analytical and theoretical scientific approach.

1954 DNV took a significant and pioneering step by establishing a dedicated Research department.



1964 DNV was finally united in one headquarters. The DNV fleet was almost 20 million gross tonnes (GT), twice as much as in 1960.

1967 The golden age for both shipping and DNV. The internationalisation and expansion of the Society took off.

1968 Foundation of the International Association of Class Societies (IACS).

1864–1970



1970–1980



1980–1990



1990–2004



2004–



1981 DNV Petroleum Services was established adding marine fuel management to DNV's expertise.

1980 The Alexander Kielland platform disaster in the North Sea. Regulations were subsequently improved.



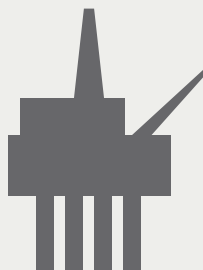
INTERNATIONALISATION 1980-

1978 DNV became an independent foundation.

1975-1979 The Berge Istra and Berge Vanga accidents occurred.



1970 DNV entered the oil business, in both the offshore installations and cargo sectors, including pipelines and vessels. This developed into a new important market.



ENERGY 1970-

CERTIFICATION 1990-



1987 The ISO standards were introduced worldwide by the ISO organisation, and DNV quickly grew its management system certification activities based on these standards. This became an independent business area in DNV in 1995.

1992 DNV replaced Det Norske Veritas as the global brand name and a new logo was introduced.

1997 Managing Risk was introduced as DNV's corporate promise, reflecting DNV's core competence of identifying, assessing and managing risk.

2000 International owners represent 70% of the DNV fleet.

2002 DNV-classed vessels pass 5,000.



SUSTAINABILITY 2004-

2004 DNV became the first company to be accredited by the United Nations Framework Convention on Climate Change to validate climate change mitigation projects under the CDM (Clean Development Mechanism) scheme.

2004 Risk Based Certification introduced, representing a revitalisation of management system certification.

2004 DNV-classed vessels passes the 100 million gross tonnes mark.

2010 The Deepwater Horizon accident in the Gulf of Mexico.

2010 DNV acquires Behnke, Erdman and Whitaker Engineering (BEW) to strengthen its position within solar, wind, power transmission and grid integration.

2010 DNV opens Clean Technology Centre in Singapore.



2009 DNV opens a Sustainability Centre in Beijing.

2008 DNV approved to accredit hospitals in the US.

2008 DNV acquires Global Energy Concepts, a US based wind power consulting firm with 95 employees.

2006 DNV IT Global Services was created to focus on addressing IT risks.

2005 DNV acquired Cortest Columbus Technologies (CCT) - specialising in corrosion control, pipeline and plant integrity analyses and material evaluation for the pipeline industry.



PERFORMANCE

SAFETY

ENVIRONMENT

TECHNOLOGY

COMPLIANCE


QUALITY

RISK

OPPORTUNITY



What we do



We enable our customers to turn risks into rewards by helping them to identify, assess and manage their most critical risks. That includes assisting customers in balancing a wide range of technical, operational, business and societal aspects to optimise performance.

In addition, we verify or certify compliance with standards, rules and regulations in order to safeguard life, property and the environment. As such, we perform a balancing act between business and society.

- SHIP CLASSIFICATION** >>
- OIL AND GAS** >>
- CLEANER ENERGY** >>
- BUSINESS ASSURANCE** >>
- SUSTAINABILITY** >>

Towards greener shipping

Investing in innovation and technology was one of our responses to a crisis-hit shipping market. This resulted among other things in presentations of two new concept ships in 2010, with the intention of inspiring the industry with innovative new ideas.

FOCUS ON SHIP CLASSIFICATION

THE SHIPPING MARKET IN 2010 – AN EARLY RECOVERY? Although the maritime industry faced major challenges in 2010, contracts for more than 2,000 new ships were signed on a global scale. This was around double that of the year before, but still significantly less than the peak years of 2006 and 2007. There were also much fewer cancellations and lay-ups than in 2009.

The number of vessels sold for recycling increased to around 1,400 in 2010. This is more than twice the average figures for 2005–2008, but is still far less than the figures from the mid 80s, when the maritime industry was also facing challenging times.

As a result of the large number of contracts signed before the financial crisis in 2008, the total global fleet increased by 76 million GT in 2010 – more than in any previous single year. At the end of last year, more than 60,000 vessels were trading globally. Overcapacity is a problem in almost all the main ship segments, and most freight rates are at low levels.

Even though 2010 was much more positive than expected, this trend may not continue. In 2011, global growth is expected to be around 3% while the fleet growth will most likely be 7% – compared to 8.5% in 2010. Hence, shipping must expect to meet heavy waves ahead and the whole industry, including class, has to be prepared for ups and downs.

In addition, shipping is expected to feel the effects of last summer's oil catastrophe in the Gulf of Mexico. Risk management and new safety regulations will emerge, and zero tolerance for large scale oil pollution will be more in focus than ever before.

Ships carry more than 80% of the world cargo and do so with an efficiency superior to any other means of transport. As the world's population is still growing by some 1 billion every 14

years, and combined with an increased drive for further globalisation, we expect that shipping demand will continue to grow in the long term.

EXTENDED REQUIREMENTS, REGULATORY CHANGES AND THE NEED FOR INNOVATION.

Shipping is a unique mode of transport due to its high energy efficiency and low CO₂ emissions per unit cargo carried. Despite this, work has continued throughout 2010 within the framework of the IMO to develop an energy efficiency index for ships. An agreement on such a technical regulation during 2011 will represent a significant step forward in curbing future CO₂ emissions from ships. During 2010, DNV has participated in a number of studies of various abatement options for reducing emissions from ships. A major policy point still open for discussion is: can shipping achieve the required CO₂ emission reductions through technical and operational means or will taxes or other market based measures be introduced? This has been a major part of policy discussions during 2010 and will continue in 2011 at a global level through IMO as well as at a regional level.

In addition to emissions to air, another major concern is the practical implementation of ballast water treatment. The International Convention for the Control and Management of Ships' Ballast Water and Sediments, is probably one of the most significant challenges facing the maritime industry over the next 3-4 years.

The convention will require compliance by all ships and offshore structures designed to carry ballast water, regardless of age and size. It is expected that the criteria for ratification will be met by mid 2011, with entry into force one year later. The decision by the US and Canada to establish an ECA along their 200 mile coastline limit represents a considerable expansion of regional emission control schemes, having initially only been enforced in the Northern European and Baltic areas. Combined with the decision by the EU to implement a 0.1% sulphur limit in ports for all ships, the pressure on shipping to find new solutions in the form of exhaust gas cleaning or alternative fuels has increased significantly.

NEW MARKET CONDITIONS. Inter-Asian trade has seen steady growth, and thus absorbed some of the fleet overcapacity resulting from the economic downturn in North America and Europe. New trading patterns, such as the China/Africa and Brazil/Asia routes, are gaining in importance. A strong driver behind these new routes is China's increasing need for raw materials such as oil, gas, iron ore, coal and cereals.

The Arctic areas are expected to become more important and open up new opportunities in the near future. Several new oil and gas fields have been discovered north of Russia, and fields like Shtokman, Yamal and Varandrev are to be developed.

The arrival of the DNV-classed SCF Baltica at Ningbo in China in September 2010 proved that an Arctic route to the Far East is viable even for large tankers for some of the year. The voyage from Murmansk in Russia to Ningbo was cut by 16 sea days compared to the traditional route through the Suez Canal, saving about 800 tonnes of fuel oil.

302 NEW DNV CONTRACTS

Of the more than 2,000 contracts for new ships signed in 2010, DNV secured 302, or 17.2% measured in gross tonnes.

60,000 TRADING VESSELS GLOBALLY

More than 60,000 vessels were trading globally by the end of 2010. Overcapacity is still an issue in most ship segments.

New business opportunities will emerge as a result of the widening of the Panama Canal. This expansion project will double this canal's capacity by 2014, impacting trade routes and the whole maritime industry.

New developments like large-scale offshore wind farms are becoming increasingly common worldwide. The installation of these wind turbines requires specialised vessels where the combined experience from shipping and offshore can be utilised.

TECHNOLOGY INNOVATION. DNV has been quick to respond to the changes in the maritime industry in recent years. More importantly, DNV continued in 2010 to position itself for future changes facing the industry.

Ballast water management and type approval of treatment technologies is one such area. So far, we have been the approval body for 15 treatment systems, and are providing IMO with input on the development of new guidelines.

In 2010, DNV was the first classification society to publish rules for the classification of ships with safety and performance requirements for the installation of ballast water treatment systems that comply with the new ballast water convention.

2010 saw DNV play an active role in promoting LNG as a solution for the future. Focusing on necessary rule developments, DNV has actively worked with European regulatory authorities, supported work on the IMO Gas Code and initiated ISO discussions related to safe LNG operations in ports, and has also been involved in numerous LNG propulsion projects.

To contribute to continuous innovation in shipping, DNV launched two concept vessels in 2010: the container ship concept Quantum – running partially on LNG and having improved fuel efficiency and higher cargo carrying capacity compared with present designs; the very large crude carrier concept Triality – that is completely ballast free, runs on LNG and has 30% reduced fuel consumption. These projects demonstrate how it is possible to make step changes by using existing, available technology solutions.

NEW MARKET OPPORTUNITIES. DNV has had a strong presence in Asia and the Middle East for decades. More than 2,000 employees in close to 80 offices in that region represent the backbone of DNV's strategy of achieving fast growth in Asia. The only way to achieve such an ambitious goal is to deliver services rooted in deep technological expertise, combined with an understanding of international shipping trends and local market conditions.

As most of the world's new tonnage is built in Asia, a close relationship with the leading yards in China, Korea, Japan, Singapore, India and other countries is vital in order to serve the maritime industry. DNV now has major approval centres in Korea, Japan and Singapore. A record number of 91 ships (7.5 mill DWT) to DNV Class were delivered from China in 2010, which is almost double that of the year before.

In March 2010, DNV opened its Clean Technology Centre in Singapore to meet the

demand for clean technology innovation and incubation services in South East Asia. The centre works on innovative projects together with partners in the fields of green shipping, green ports, renewable and clean energy, climate change adaptation and carbon markets.

A global network of experienced chief surveyors was established in 2010. The main purpose has been to provide a high service level through a rapid local response on operational and technical issues related to DNV-classed ships in operations. By doing so, the decisions have been moved closer to the customers.

Energy efficiency and safety excellence have been major areas of focus for our advisory services throughout 2010. Useful tools like Marlen, which analyses the transport chain, and a simulation tool have been launched. Safety Insight is another important service to detect facts behind the companies' safety culture in order to initiate safety improvements.

OTHER ACHIEVEMENTS IN 2010

➔ **FIRST RULES FOR WIND SERVICE VESSELS.** Development and release of the world's first class rules for wind farm service vessels in order to improve safety and promote uniform standards.

➔ **30 YEARS OF BUNKER TESTING.** DNV Petroleum Services crossed a milestone by having supplied marine residual fuel testing services for 30 years.

➔ **NEW VESSEL PERFORMANCE BENCHMARK TOOL.** Building on DNV's vast vessel database (NPS), an advanced benchmarking tool, was launched to allow shipowners and managers access to valuable performance data to reduce operational costs and improve vessel safety.

➔ **DNV SOFTWARE OPENS OFFICE IN ABU DHABI.** The office was established to be better positioned to tap into one of the world's largest energy clusters by providing DNV's software suites, including Sesam, Nauticus and Safeti.

COULD LNG FUELLED SHIPS BE A STEP CHANGE FOR SHIPPING?

ECA (EMISSION CONTROL AREA): An Emission Control Area can be designated for SO_x and PM, or NO_x, or all three types of emissions from ships. The Baltic Sea and the North Sea are already defined as ECAs. The North American coast is designated as an ECA as from August 2011 and with NO_x and SO_x control from 2015/16. Other areas in the world are also being considered.

● ECA

EUROPEAN ECA REQUIREMENTS

Maximum level of sulphur in fuel (all ships):

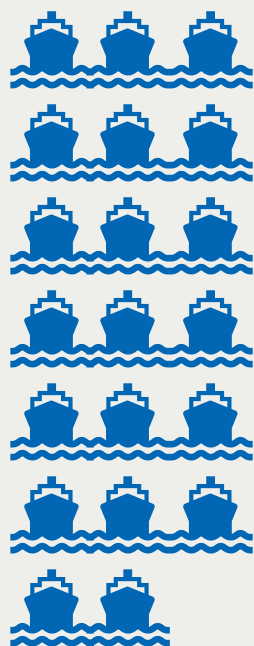
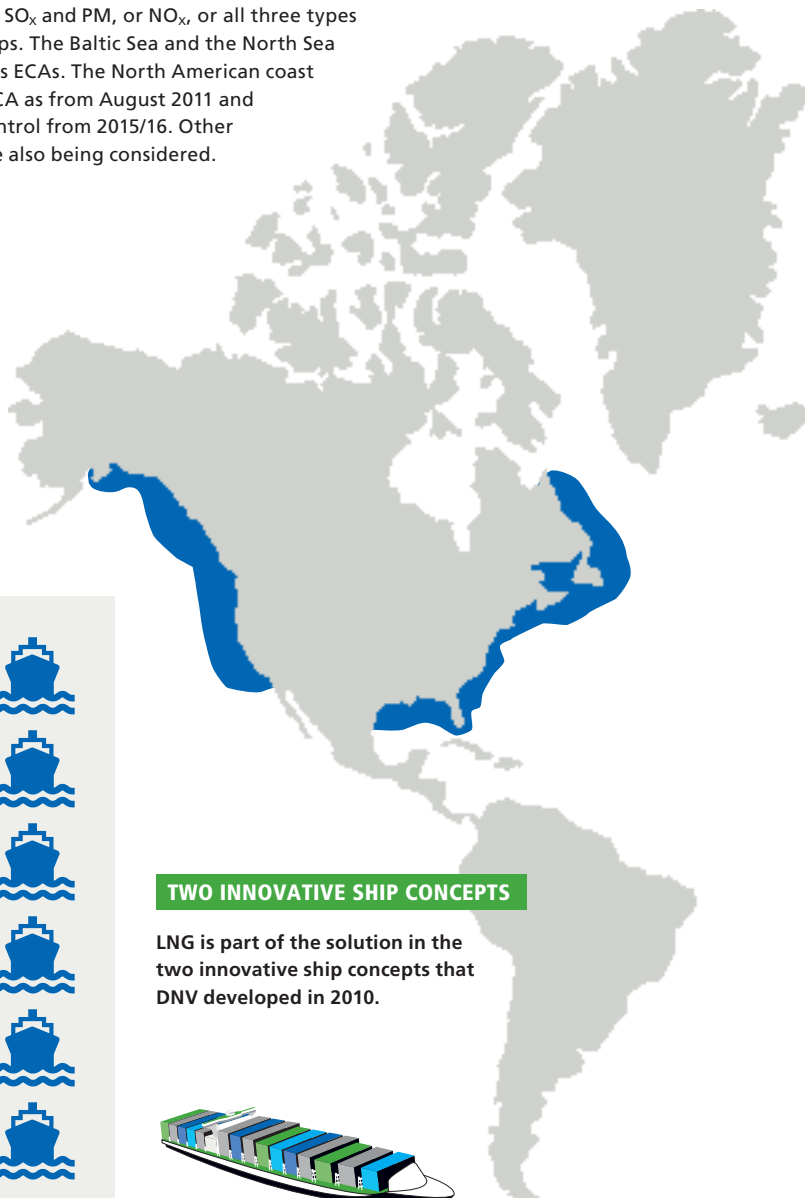
1,0% by 1st July 2010

0,1% by 1st January 2015

0,1% sulphur in ports and inland waterways now

Nitrogen emission for newbuildings:

80% reduction in NO_x emission from 2016



DNV CLASSED

GLOBAL FLEET

20 of the world's LNG fuelled ships are classed by DNV, which represent approximately 95% of the total. 15 more have been contracted, and most of these are also to DNV Class.

DNV was the first to issue Class Rules for LNG fuelled ships more than ten years ago.

TWO INNOVATIVE SHIP CONCEPTS

LNG is part of the solution in the two innovative ship concepts that DNV developed in 2010.



CONTAINER CONCEPT SHIP

Quantum

The concept vessel is designed to transport more cargo while using less fuel and with a reduced environmental impact. Among many innovative solutions is the introduction of LNG as part of the ship's fuel using a dual fuel engine.

TANKER CONCEPT SHIP

Triality

A new crude oil tanker concept that is fuelled by LNG, has a hull shape that removes the need for ballast water and will almost eliminate local air pollution. This VLCC concept vessel, named Triality, was developed through a DNV innovation project. As its name indicates, it fulfils three main goals: it is environmentally superior to a conventional crude oil tanker, its new solutions are feasible and based on well known technology, and it is financially attractive compared to conventional crude oil tankers operating on heavy fuel oil.



INFRASTRUCTURE - THE MAIN CHALLENGE: For LNG fuelled ships to become a viable solution on a large scale, the issue of LNG bunkering infrastructure must be solved: LNG must be more easily available through terminals in strategic places and enough bunkering ships.

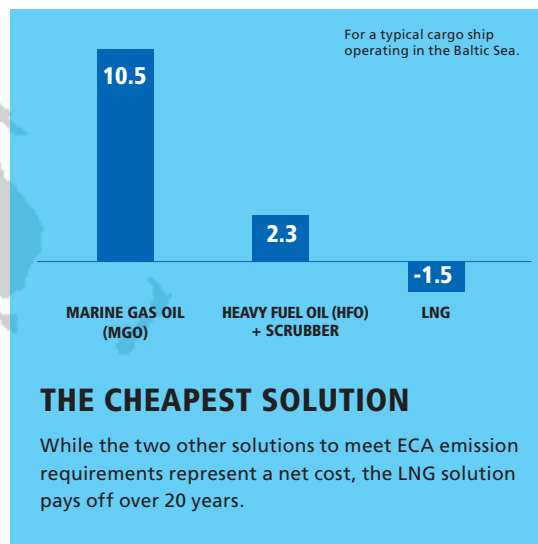
While land-based industries have been faced with stricter environmental requirements for years, the shipping industry has escaped most of these. This era has come to an end. Liquefied Natural Gas (LNG) could be part of the solution.

THE BALTIC REPORT – POINTING TO SOLUTIONS

In 2010, DNV issued its Baltic Report. The conclusion of the report is that LNG is the cheapest and most environmentally friendly solution. It also concludes that LNG fuel is most suited for short-sea shipping.

The Baltic Report looks at three obvious fuel alternatives for ships to meet the strict ECA requirements:

- Shift to low-sulphur fuel
- Implement SO_x-scrubbing and use conventional fuel
- Shift to LNG fuel



FACTS ABOUT BALTIC SEA SHIPPING

More than 2,000 ships are operating at any time in the Baltic Sea.

Annual emissions from ships in that region:

SO_x: 135 000 tonnes

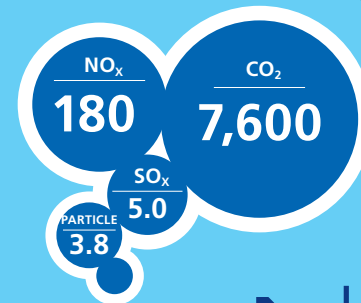
NO_x: 400 000 tonnes

CO₂: 19 million tonnes

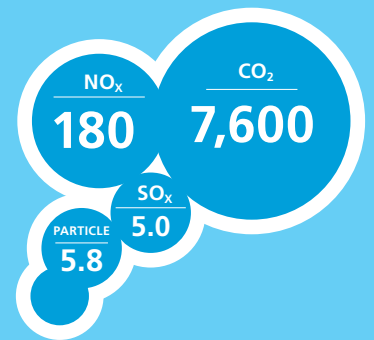
These emissions correspond to all landbased NO_x emissions and twice the SO_x emissions from Denmark and Sweden combined.

Source: DNV's Baltic Report, 2010

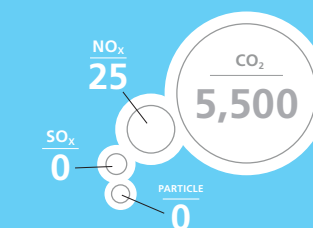
For a typical cargo ship operating in the Baltic Sea.



LOW SULPHUR FUEL¹⁾



CONVENTIONAL FUEL



LNG FUEL

BEST ENVIRONMENTAL IMPACT

Of the three options for meeting the ECA requirements, LNG fuel has the lowest emission of all three local pollutants; NO_x, SO_x, and particles. It also reduces CO₂ emissions.

All figures in tonnes / year

A new era for offshore safety

At 9:45 pm on 20 April, the Deepwater Horizon drilling rig exploded, causing the loss of 11 lives and three months of a seemingly unstoppable flow of oil from the Macondo well into the Gulf of Mexico. Offshore safety was put on the world's public agenda.

FOCUS ON OIL AND GAS

The blow-out of the Macondo well caused the largest oil spill ever in the US, and the accident may create a paradigm shift for most oil producing countries. Regulatory changes are likely to occur far beyond the Gulf of Mexico (GoM). A number of nations with a continental shelf are reviewing their regulations, and the industry players are looking into how their own challenges and opportunities can be managed better.

In addition to the US government's drilling moratorium which affected 33 rigs in the GoM, there was a major reorganisation of the American offshore regulatory agencies and their associated management.

A swarm of new and improved offshore safety and environmental legislation was launched too, with more to come in 2011 and beyond.

The US authorities asked DNV to perform the forensic examination of the blowout preventer (BOP) and lower marine riser package fitted to the Macondo well, to which the Deepwater Horizon was connected. In parallel, DNV helped the industry with several lead tasks in one of the most challenging oil recovery operations in offshore history.

To support the ongoing discussion about an improved regime in US waters, DNV supplied recommendations based on its accumulated knowledge and several investigations of major accidents. DNV suggested that the introduction of a risk management approach would make offshore oil exploration and production safer and more reliable.

Additionally, DNV's response to the US Department of the Interior's new regulations for the immediate re-certification of subsea blow-out preventer stacks was to issue a Recommended Practice guiding owners and operators through the requirements and technical aspects.

AFFECTING ARCTIC OPERATIONS. As a consequence of the accident in the GoM, there was an ambition in Europe to assess if the safety regime in the EU could be improved. In Norway, the Oil Industry Association (OLF) asked DNV to immediately carry out a thorough review of Norway's and the US's safety regimes, the first of its kind. The report concluded that the regulations are fundamentally different in structure. The importance of roles and responsibilities, risk management and technology are some of the key elements, and they are approached differently in the two countries. Norway has furthermore included systematic risk management practices in its regulations with more emphasis on a functional safety regime, as opposed to a dominantly prescriptive safety regime as applied in the US.

Throughout 2010, stakeholders in Norway debated heavily on the future management plan for the areas in the north of the country. Here, both tourism and fisheries are vital, and the question is whether or not to allow oil and gas exploration on the doorstep of Lofoten, one of the world's most unique tourist attractions.

The debate was reinforced by the unforeseen accident in the GoM, although an independent basis for the debate was, among other things, DNV's environmental risk studies, which were carried out on behalf of the authorities.

Another major related issue was the long awaited agreement between Norway and Russia concerning the division of the Barents Sea. This agreement may open up a new era of oil and gas development in the Arctic, which is expected to hold 22% of the world's undiscovered oil and gas reserves. In light of the accident in the GoM, many question whether the world is ready to take on the responsibility of operating in these sensitive, dark, remote and harsh areas. DNV points out that the Arctic introduces new and other levels of known risks. Therefore, the same safety level as in normal climates must be attained in the Arctic through new technology, more adaptable regulations and knowledge. A proactive approach to assessing these challenges has been taken in the groundbreaking Barents 2020 project involving Russia and Norway. This DNV-led project harmonises cross-border standards for health, safety and the environmental standards in the Barents Sea.

INCREASED OFFSHORE COMPLEXITY.

Although the economic crisis has slightly reduced the energy demand since 2008, the predicted demand for energy is again walking hand in hand with the increased population and GDP growth, especially in the BRIC countries. By the end of 2010, the oil price was approaching USD 100, providing evidence of the expected increase in demand.

The consequence of an increased oil price is that most offshore projects are economically viable, including the pre-salt play in Brazil, the world's largest emerging oil development. Driven by this and other emerging deepwater areas, the offshore sector and market for special vessels, drilling units and FPSOs will therefore continue to develop and grow.

70% OFFSHORE PIPELINES

About 70% of all offshore pipelines are designed and built to DNV's pipeline standards.

40% AGING UK OFFSHORE UNITS

25% of Norwegian and 40% of UK offshore units have reached their design lifetime. DNV is working to develop standards for the safe operation of ageing offshore installations.

Since the autumn of 2008, there has been a very quiet period for new contracts for yards. This was interrupted by a clear increase in the order books for both deepwater rigs and jackups at the end of 2010. The main reasons for this change of pace were too few deepwater rigs being built throughout the financial crisis and the trend towards a two-tier market for jackups, with premium rates for new units. New generation offshore operations create extra requirements as to state-of-the-art well technology, automation, degradation and integrated software-dependent systems, and not least the safety competence and culture of the organisations playing key roles in offshore exploration. Linked to this is one of the biggest risks for an operator – downtime, unplanned or planned maintenance. Solving this challenge fits well with DNV's strategy of working with the most complex units and going beyond commodity services. Efficient methodologies for managing these risks are DNV's strengths throughout the operational phase.

AGE MATTERS. The industry expects future oil and gas resources to be found in deep, harsh and remote areas of the world, paralleled with an extension of the lifetime of ageing fields. 25% of the Norwegian and 40% of the UK units have reached their design lifetime. Therefore, the authorities have increased their focus on ageing installations and life extension in order to ensure that the risks are managed effectively by the offshore industry. This involves plants, processes and people, as well as new technologies and investments in tail end production.

Currently, there is, however, little guidance available to perform the required analyses and assessments. Hence there is a need for close co-operation with the offshore industry to develop common approaches through research, networking and the development of guidance, codes and standards. DNV is working with authorities and the industry to develop such standards which will ensure the continued safe operation of ageing offshore installations.

On an operational level, DNV is already significantly involved in the Norwegian sector and is expected to expand in the UK sector and potentially to other regions.

GAS TO SECURE ENERGY SUPPLY. Access to energy is essential to all countries, while many are not self-sufficient in oil, gas, coal or renewables. This issue of uneven distribution has and will continue to be a political issue between countries and continents.

There is a clear growth in the interest in natural gas as a source of energy. In addition to the security of supply aspect, this is a consequence of the increased focus on environmental emissions. Gas fired power plants are becoming more common in many areas of the world, natural gas is now seen as an alternative to heavy fuel oil for small scale power production, and LNG is gaining momentum as a fuel for both land based and maritime transportation.

Many of the big reservoirs of natural gas are located further away from the main consumption areas. Russia and Australia are now key areas for natural gas developments, although some of the volumes are too far away from the markets to make pipelines economically viable. The consequence is that the share of future volumes of natural gas transported as LNG is forecast to grow from 20% to 50% by 2020. Close to 50% of the global LNG production investments and much of the new volumes of LNG in this period will come out of Australia. This was the rationale for DNV's establishment of a new office in Perth in May 2010. Technology qualification has been one of the services which has been in great demand by the industry.

The distribution of gas through pipelines has developed rapidly and new records are being set on length and size. For example, the world's largest offshore pipeline project, Nord Stream, is well under way. Crossing the waters of five Baltic Sea countries, from Russia to Germany, Nord Stream will be an important pipeline which may provide gas supplies for 25 million European households. The project consists of two 1,220 km long 48" pipelines that are being built according to DNV's pipeline standard and will be certified by DNV.

Offshore pipelines are increasingly being built and certified to DNV's offshore pipeline standard, which is the world's most commonly used standard and has a market share of about 70%. It covers all phases of a pipeline and allows operators to manage cost issues without compromising safety and integrity.

LOOKING FORWARD. While oil demand growth may slow, oil will remain the world's main energy source. Natural gas will evolve into part of the low carbon economy, and the Deepwater Horizon catastrophe in the GoM will lead most probably lead to a game-change in offshore safety and the application of new and more sophisticated risk management practices.

To meet the new demands and cope with the more complex exploration and production in harsh, remote and deep waters, the oil and gas industry will benefit from the integrated solutions provided by DNV's technology, classification, verification, qualification and certification services.

OTHER ACHIEVEMENTS IN 2010

➔ RAMPING UP IN AUSTRALIA.

To be able to participate in major new LNG projects in Australia, DNV expanded its Perth office to include senior staff in the fields of LNG, pipelines, subsea operations and CCS.

THE GULF OF MEXICO INCIDENT

DNV'S IMMEDIATE AND LONG-TERM RESPONSES

GULF OF MEXICO

IMMEDIATE RESPONSES:

ENSURING SAFE MARINE OPERATIONS IN A CRISIS. Dealing with this major incident was a complex operation involving a large number of vessels, many of which carried out operations and handled equipment they were not originally constructed for. Operations that would normally require long planning were decided and executed within very short time frames.

SAFETY STUDIES AND VERIFICATIONS DNV carried out safety studies and modification verifications to ensure that vessels could operate safely and that they were fit for their new purpose.

VERIFICATION

The containment marine risers and subsea equipment were designed at a fast pace. DNV accepted the role of Certified Verification Agent for the risers, on behalf of the US regulator.

RISK ASSESSMENT

DNV supported the intervention activities with hazard identification (HAZID and HAZOP) reviews of about half of the 200 newly developed procedures, contributing to a result where no one was injured in the response and the situation was not made worse.

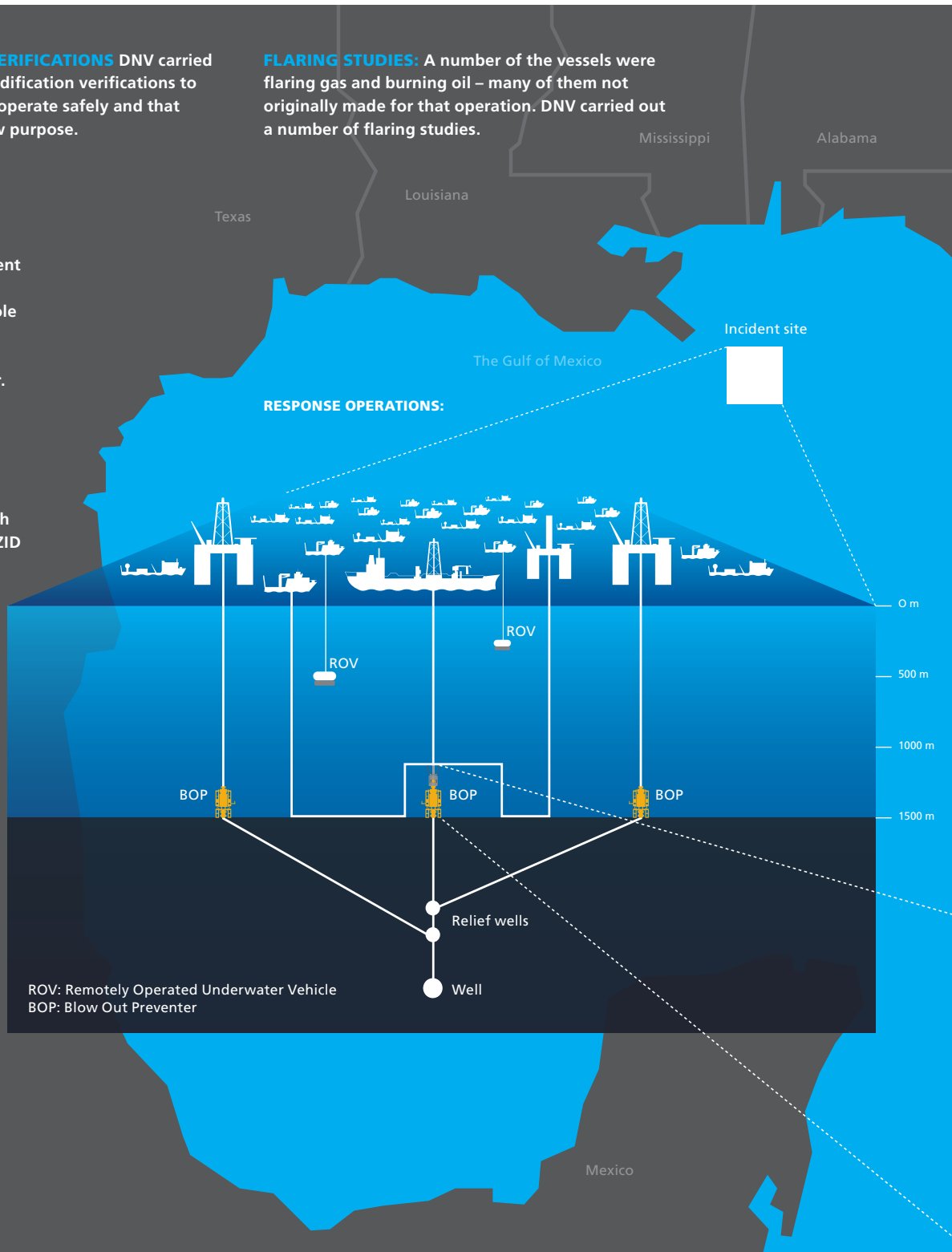
CLASSIFICATION

A number of the vessels involved in the response were to DNV Class and needed continuous support.

FABRICATION SURVEYS

New equipment was designed, modified and produced in a very short time. DNV carried out fabrication surveys to verify quality and safety requirements.

FLARING STUDIES: A number of the vessels were flaring gas and burning oil – many of them not originally made for that operation. DNV carried out a number of flaring studies.

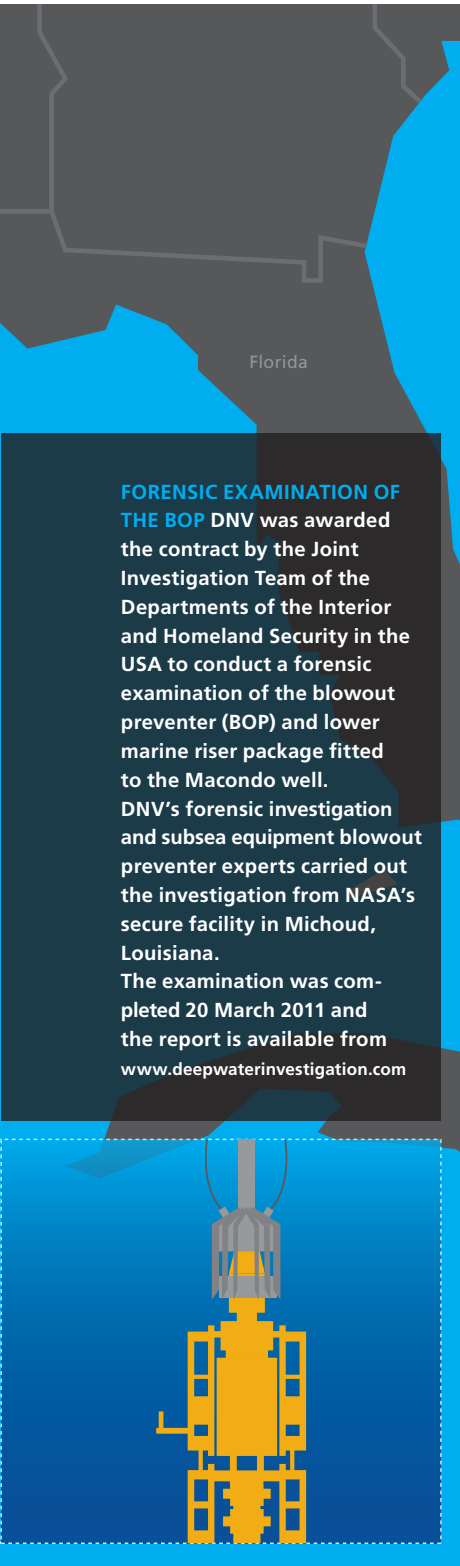


The blow-out of the Macondo well on 20 April 2010, leading to the tragic explosion and sinking of the Deepwater Horizon offshore drilling rig, is the largest accidental offshore oil spill in the history of the petroleum industry. Close to 48,000 people were

involved in the response efforts to stop the oil spill and recover the spilled oil. It took three months and many attempts before the well was finally capped. The illustration below shows elements of the response operations and DNV's involvement.

LONG-TERM RESPONSE

TOWARDS A BETTER SAFETY REGIME. The incident is a game changer for the offshore oil and gas industry. DNV responded in numerous ways to help improve the safety and environmental performance of the offshore sector going forward using its wide knowledge and expertise.



FORENSIC EXAMINATION OF THE BOP DNV was awarded the contract by the Joint Investigation Team of the Departments of the Interior and Homeland Security in the USA to conduct a forensic examination of the blowout preventer (BOP) and lower marine riser package fitted to the Macondo well. DNV's forensic investigation and subsea equipment blowout preventer experts carried out the investigation from NASA's secure facility in Michoud, Louisiana. The examination was completed 20 March 2011 and the report is available from www.deepwaterinvestigation.com

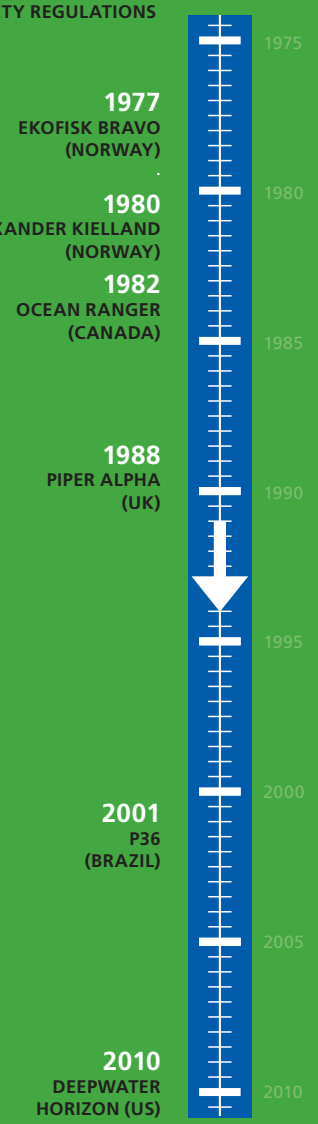
COMPARISON OF NORWEGIAN AND US REGULATIONS DNV was asked to produce an independent assessment for the Norwegian Oil Industry Association (OLF) comparing drilling safety regulations in the US and Norway. It concluded that regulations in the two countries are fundamentally different.

SUGGESTIONS FOR A NEW SAFETY REGIME DNV produced a position paper that presents the collective knowledge of regulatory regimes and global operations to identify key aspects of an effective offshore safety regime.

We believe major improvements are possible with a safety regime possessing the following characteristics:

- Performance-based supplemented by prescriptive regulations
- Consideration of technology, organization and people
- Clear roles and responsibilities
- Enforced identification, reduction and control of risks
- Shared performance monitoring
- Practical and economic feasibility
- Balance between risk, control and condition

SOME OFFSHORE ACCIDENTS WITH HIGH IMPACT ON OFFSHORE SAFETY REGULATIONS



A NEW RECOMMENDED PRACTICE for re-certification of blow-out preventers (BOPs) and well control equipment for the US outer continental shelf was issued by DNV.

JIP ON STRUCTURAL INTEGRITY A Joint Industry Project (JIP) was initiated by DNV on the structural integrity of drilling and well systems was initiated by DNV. The JIP involves several global oil and gas operators.

Pushing cleaner and renewable energies

Renewable energy developments have seen several highlights throughout the year, despite the pessimistic results of global climate agreements and the financial crisis. This progress is supported by DNV on several levels.

FOCUS ON CLEANER ENERGY

The need for renewable energy will grow as governments and societies react to climate change, providing great opportunities for investment. In many cases, investments in cleaner energy sources are more expensive than fossil fuels, but they will become more valuable as concerns about oil depletion, political turmoil and CO₂ emissions increase. As renewable energy is mostly locally sourced, it is also attractive from a security of supply standpoint, becoming politically critical for nation states that are overly dependent on others for traditional supplies of oil and gas. Almost 50% of the USD 20 trillion expected to be invested in energy developments by

2030 will be invested in renewable energy and power generation and transmission.

Despite the failures of COP15 in 2009, the Cancun Agreements from COP16 in 2010 provided more positive, albeit weak, signals that will help to focus action and efforts on a more complete set of agreements at Durban COP17 in 2011. This means that renewable and cleaner energies must become even more important on the world governments' agendas.

Developments in 2010 and the future outlook mirror DNV's goal of positively encouraging the development of a low-carbon economy as a world leader in risk management services for cleaner energy industries.

CLEANER HYDROCARBONS. The world needs the rapid development of cleaner energies in order to stay within 2°C average temperature increase set by the Copenhagen Accord and reduce the energy sector's carbon intensity. During this transitional period, two fossil markets will grow: gas and coal.

Throughout 2010, gas began to emerge as an accepted part of the low carbon economy in several places. The main reason for

this is that natural gas is the cleanest of all the fossil fuels and emits almost 30% less CO₂ than oil and approximately 45% less than coal. Financially, gas fired power generation requires much less capital expenditure and can be built quickly, but has long term higher fuel and carbon costs compared to renewable energies.

Three of the world's largest economies – the US, China and India – also have the largest coal reserves, and security of supply and employment issues will politically drive their use of coal to generate power.

Related to both these energy sources, power generation associated Carbon Capture and Storage (CCS) is therefore critical for minimising climate change effects. However, CCS is a transitional technology which is still not developed and operated on a full scale. Most importantly, the speed of its development still depends on a realistic price for carbon, public acceptance of the associated risks, technology development, lower capital and operational costs and regulatory frameworks. During 2010, DNV became a driving force in the CCS field to deal with a number of these

challenges. Over the past few years, we have been working on developing unified best practices for the capture, transport and storage of CO₂. These were launched in 2010, and especially the latter is being used as the basis for several countries' and companies' efforts to create national regulations and business strategies.

During the last two years, a number of governments, such as those of Australia, Canada, Japan, Norway, the UK, Korea, the US and some European countries, have committed substantial funding to facilitate the deployment of large-scale CCS demonstration projects. DNV has been involved in several of these important projects.

DNV has also been working on the challenge of turning carbon dioxide into useful commercial products. Our research demonstrates the conversion of CO₂ which can be used as chemical feedstock, antibacterial agents, an energy storage medium and in steel pickling and de-icing solutions.

TRANSMITTING ENERGY. Renewable wind, solar, tidal and wave energy generators are increasingly being installed on a large scale. This poses a significant risk to the uninterruptedness of power supplies, and DNV's response is to provide support throughout the value chain with a combination of skills and risk management services. Decades of expertise in wind, solar, offshore and subsea technology have resulted in services ranging from strategic advice, concept evaluation, product development and installation to operation and maintenance.

In addition to organic growth in the power transmission field, DNV acquired the California-based Behnke, Erdman & Whitaker Engineering, Inc (BEW Engineering) in 2010, adding 30 experts to DNV's cleaner energy service line. With this acquisition, DNV has obtained a more complete service portfolio for the integration

250 EMPLOYEES DEDICATED TO WIND ENERGY

More than 250 employees are dedicated to wind energy and many more contribute from other units. This makes DNV the largest wind consultancy company in the US and one of the largest in the world.

2,000 TURBINES

The Dogger Bank offshore wind project off the coast of the UK will be the world's largest with 2,000 turbines. DNV was chosen to carry out the concept evaluation of installation options.

of renewable energy projects into the power transmission grid, in addition to solar power and wind energy. BEW is a world leading advisory company in solar power, which experienced an enormous growth in 2010 and continues to grow exponentially.

EMPOWERING WIND. Wind energy has the potential to increase ten-fold, becoming second only to hydropower in the renewable sector. It is becoming global, and it is increasingly moving offshore. According to a study by the Global Wind Energy Council and Greenpeace International, wind power may provide one fifth of the world's global power demand by 2030.

To support the growth of the wind industry, DNV develops standards, specifications and guidelines and cutting edge knowledge, often together with the key industry players. This knowledge is utilised to optimise technology and investment returns.

DNV has supported the industry for over 25 years and is now established in major markets in North America and Europe, as well as having offices in most of the emerging markets throughout the world. After the acquisition of GEC in 2008, DNV has extended its service portfolio to include advisory and certification services throughout the whole value chain. DNV is the leading wind consultancy company in the US and among the largest in the world with more than 250 employees dedicated to wind and many more contributing to wind projects from related units. 2010 also saw DNV being selected as the Type Certification Body for Chinese, Indian and Korean manufacturers and 30 wind engineers were employed in Asia.

Being a leader in risk management services, the classification of marine vessels and offshore units is important to our growth in the wind segment. DNV has obtained a dominant position, especially in the type certification of wind turbines and project certification of offshore wind farms. Several major turbine suppliers have signed new framework agreements for type certification during 2010 and much of our work for these suppliers in the coming years will be focused on new larger turbine models designed specifically for the offshore wind market. DNV is also providing project certification services in a number of UK projects under development or recently placed in operation. One of our most prominent projects was Vattenfall's Thanet project which came online in September 2010. At 300 MW, the Thanet project is the largest offshore wind project in the world.

In North America, DNV also has a leading position in providing accredited testing services for onshore wind energy clients. We obtained accreditation for noise testing in 2010 to add to our other accredited test services which include power performance and load testing. Related to this and as part of a collaborative effort in the industry, DNV is leading an instrumentation and testing programme related to gearbox durability.

Until now, the US has not had any offshore wind activity, but the approval of the Cape Wind project on the east coast is a promising start. The Cape Wind project has nominated DNV to act as the Certified Verification Agent (CVA) for this first offshore wind project in the US on behalf of Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE).

One of the biggest challenges facing the wind industry is the training of enough skilled workers to support the projected growth. DNV is addressing this need through several activities. Under contract to the US Department of Energy, we are developing comprehensive training curricula and materials aimed at professionals entering the wind energy field from other technical disciplines and industries.

DNV was chosen by Statoil to carry out the concept evaluation of installation options for the Dogger Bank offshore project in the UK, which will be the world's largest offshore wind project. It will comprise about 2,000 wind turbines covering an area of 8,660 km² in the North Sea, similar to the size of Cyprus. Located between 125 and 290 km from the UK shore, with water depths spanning from 18 to 63 m, it is also considered the most challenging project.

DNV is adapting to the growing wind market and aims to be the most complete and significant player for advisory and certification services. As wind turbines and fields grow in size DNV's risk advisory, classification, verification and certification service portfolio will be important for handling both technical and financial risks for the owners and operators.

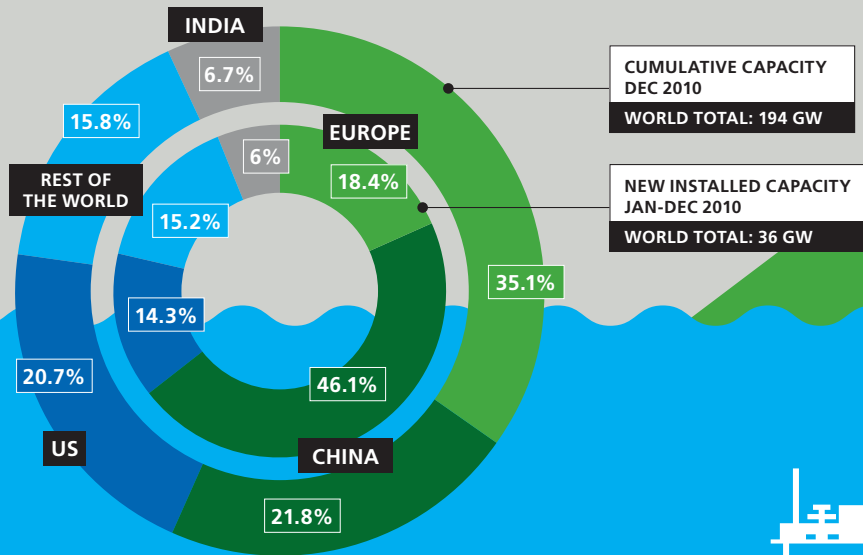
OTHER ACHIEVEMENTS IN 2010

➔ **GUIDELINE TO BOOST CCS.** DNV and the energy industry, with valuable contributions from government agencies, launched the world's most comprehensive guideline for the safe and sustainable geological storage of CO₂. The purpose is to help both industry and regulators speed up the large scale deployment of Carbon Capture and Storage (CCS).

➔ **OFFSHORE FLOATING WIND STANDARD.** In order to support faster progress in the offshore floating wind industry, DNV and key players commenced the development of a common design standard. The conclusions of this joint industry project will provide best practices on principles and technical requirements for the design, construction and in-service inspection work.

A COMPLEX LIFE CYCLE

The wind industry is becoming mainstream, but there are still many technical, environmental and financial challenges that investors, manufacturers, and developers need to understand thoroughly in order for their businesses to be successful. DNV provides services, standards and guidelines to address this throughout the value chain.



TRADING OF EMISSION REDUCING PROJECTS

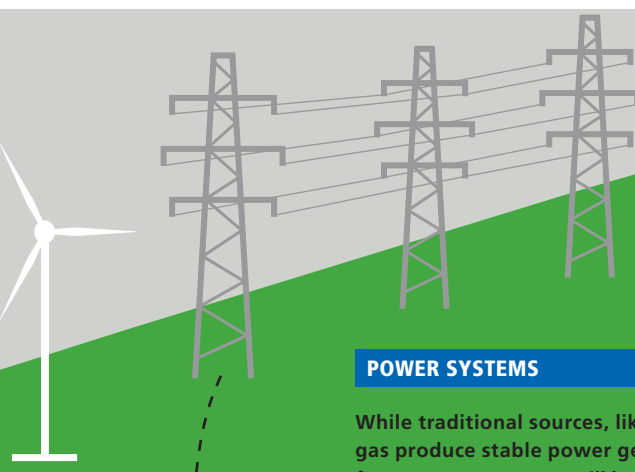
The Clean Development Mechanism (CDM) is an arrangement under the Kyoto Protocol. It allows credits from emission reducing projects, including wind energy projects, to be traded. DNV is the world's leading validator of such projects (see more on page 32).



INSTALLATION AND SERVICE VESSELS

The rapid development of offshore wind is driving growth in the market for installation and service vessels, and DNV has become the leading classification society for newbuildings of such units. In order to improve safety and promote uniform standards, DNV launched the world's first class notation for both wind farm installation vessels and wind farm service vessels. Of the current global order books for installation vessels and service vessels, DNV is to class a lion share of the newbuildings.





POWER SYSTEMS

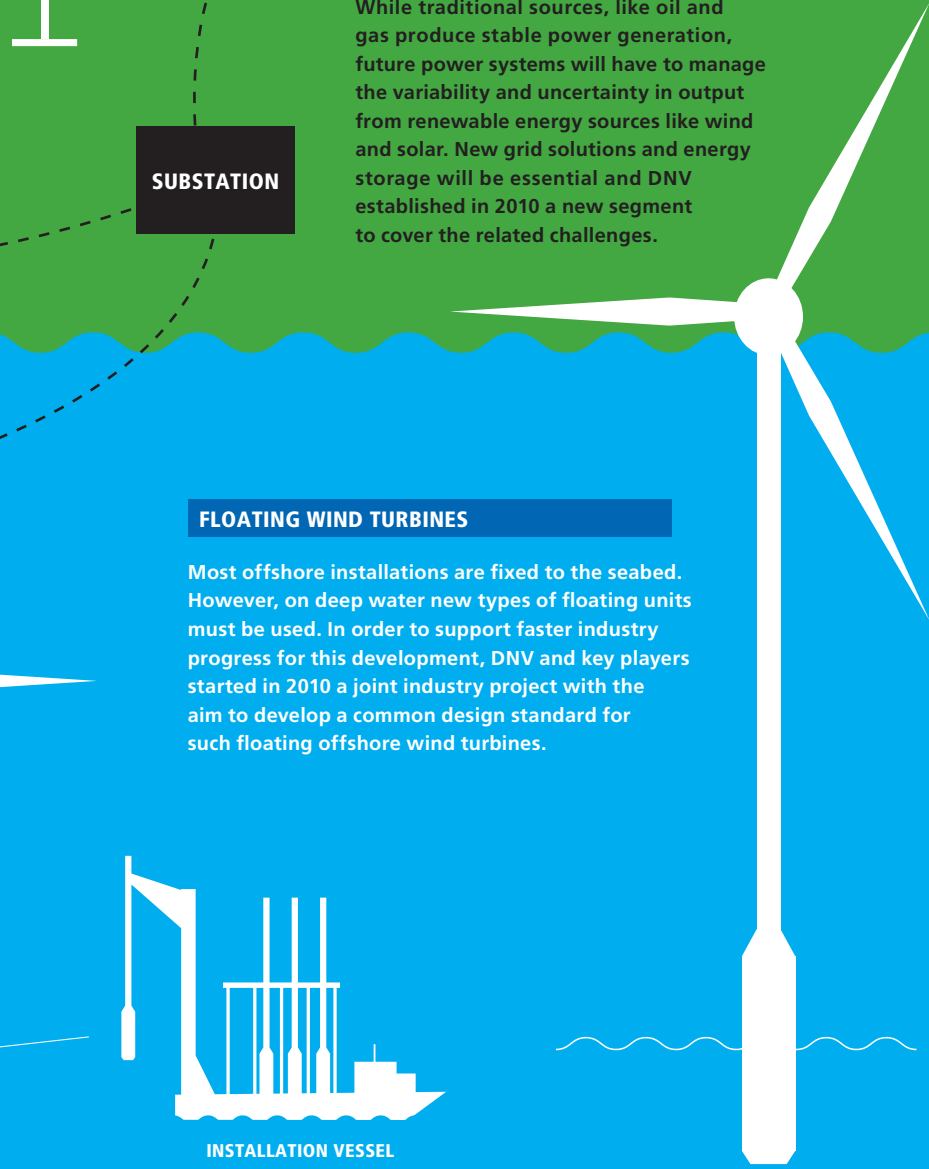
While traditional sources, like oil and gas produce stable power generation, future power systems will have to manage the variability and uncertainty in output from renewable energy sources like wind and solar. New grid solutions and energy storage will be essential and DNV established in 2010 a new segment to cover the related challenges.

SUBSTATION

ONSHORE AND OFFSHORE

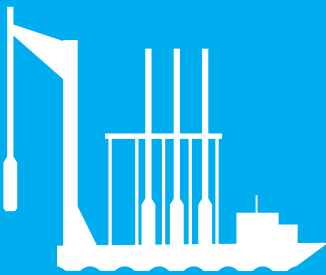
Though offshore wind is growing fastest, the onshore wind market is still dominating the total wind power production. In Europe, onshore wind will be the largest contributor to meeting the 34% share of renewable electricity needed by 2020, as envisaged by the 2009 EU Renewable Energy Directive.

Total installed worldwide capacity in 2010 is 36 GW, where about 1 GW comes from offshore installations. Total cumulative worldwide capacity is approximately 194 GW, where 2.9 GW comes from offshore wind (Global World Energy Council). But offshore capacity is steadily increasing its share or total wind energy output.



FLOATING WIND TURBINES

Most offshore installations are fixed to the seabed. However, on deep water new types of floating units must be used. In order to support faster industry progress for this development, DNV and key players started in 2010 a joint industry project with the aim to develop a common design standard for such floating offshore wind turbines.



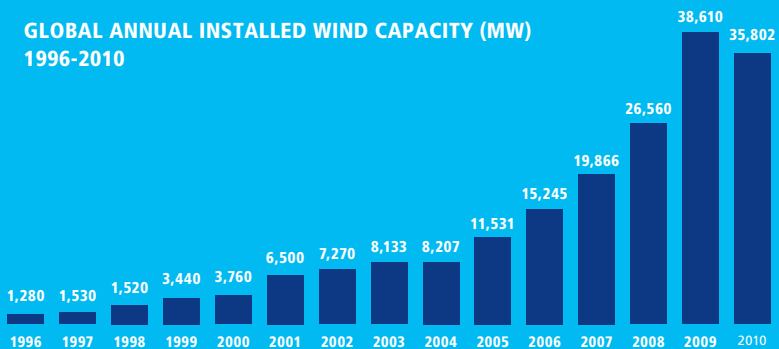
INSTALLATION VESSEL

2010 NUMBERS

The growth of the wind industry in China continued to dominate the headlines in 2010, when it reached a total of 42 GW of installed wind power capacity. Consequently, China surpassed the US and Europe in terms of total installed wind energy capacity. The Chinese turbine manufacturers, supported by a strong home market, are beginning to explore export opportunities. Europe and North America saw a decline in installations of 10 and 5 GW respectively during the year. However, there has been significant growth in other parts of the world including Canada, Brazil, India and Australia.

The offshore wind industry is growing with major activities in several continents. Between 2008 and 2010 expenditures has doubled year-on-year. Total forecast investment for the period of 2011-2014 is expected to reach €38 billion. In Europe, where the total growth declined, offshore growth in 2010 was almost 50%, with 308 new offshore wind turbines installed.

GLOBAL ANNUAL INSTALLED WIND CAPACITY (MW) 1996-2010

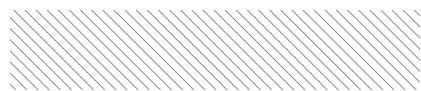


The UK is the leading market for offshore wind, followed by Germany and China, which could become the leader during the next decade. Another important player in Asia is South Korea, which has an ambitious plan of delivering 5GW by 2019 (Douglas-Westwood). The US has so far not had any offshore activity, but the approval of the Cape Wind project on the east coast and President Obama's push towards greener energies are providing the kick-off for a new area of opportunity.

Gaining trust from all stakeholders

Building trust and creating a platform for sustainable performance are as important as ever for today's companies. In a challenging economy, where competition is fierce, gaining consumer trust and operating sustainably have become vital factors in gaining and sustaining competitive advantages.

FOCUS ON BUSINESS ASSURANCE



Globalisation and the growing volume of international trade create a fertile landscape for certification services.

The certification industry is dominated by a plethora of national players, constituting around 70% of the global market. A few, large international or global certification bodies hold the remaining 30%. There is a clear trend towards consolidation, and DNV wishes to be a part of this. With the aim of becoming leading in the certification segment, DNV solidified

a much clearer positioning as a certification body and its certification division named Business Assurance became an autonomous legal entity within the DNV group during 2010.

A partnership with JACO (Japan Audit and Certification Organisation), a leading provider of certification services in Japan, was formed in 2010. This strategic alliance will support DNV's positioning in the domestic market while Japanese international and global customers gain access to highly experienced auditors outside Japan.

GROWTH IN THE TRADITIONAL CERTIFICATION SEGMENT. DNV sharpened its focus on third party services with certification schemes, assessment and training services at its core. In 2010 we saw strong growth across the board in the traditional Management System Certification market.

Despite previous predictions of stagnation, we see healthy growth in most certification segments: quality, environment, information security, safety, and occupational health and safety.

We also continue to see growth in new certification services, especially when it comes to industry specific standards. With increased demands on and accountability for companies who today operate in a complex business environment, there is a move from generic to industry-specific standards to better manage risks and improve performance, not to mention the management of complex supply chains.

As more and more companies are looking to manage their energy consumption from both a cost efficiency and environmental perspective, DNV improved its environment portfolio with a suite of energy management certification services and training.

SUSTAINABLE PRODUCTS. Product certification is an important means for companies to communicate their sustainable behaviour and values to consumers. While international market access is often linked to product safety and quality, consumers are increasingly looking at a product's impact before making purchasing decisions. DNV's ProSustain™ standard was developed in co-operation with leading industry organisations to establish a credible, objective and transparent approach to assessing and communicating a product's sustainability performance. The standard takes into consideration a wide range of environmental, social and economic impacts arising during the course of a product's life cycle. In 2010, we saw increasing interest in ProSustain™ as companies sought to continually improve and comply with an increased demand for sustainable products.

27% CERTIFICATION SERVICES GROWTH

DNV's certification services to the food and beverage industry continued to grow strongly, increasing by 27% in 2010.

70,000 CERTIFICATION CUSTOMERS

DNV now has 70,000 certification customers globally and the market for Management System Certification experienced solid growth in 2010.

30% CERTIFICATION MARKET SHARE HELD BY INTERNATIONAL PLAYERS

A few, large international certification bodies hold 30% of the certification market, while national players account for the rest. DNV aspires to become the world's leading certification body.

PUTTING TRUST IN WHAT WE EAT AND DRINK. Food and beverage companies are challenged to produce and supply healthier products and to raise confidence in food safety. Consumers are holding them accountable for their entire value chain and the food industry must gain their trust and confidence and demonstrate sustainability. Globalisation, trade, and complex value chains contribute to the complexity that food and beverage companies must manage. Also in 2010, the world saw a number of food scares, resulting in the hospitalisation of consumers and, sadly in some cases, fatalities. For emerging countries in Asia and Africa food safety is a growing concern in domestic markets and is a prerequisite for access to foreign markets.

As a consequence, there is a strong drive towards food safety in all markets, a continued need for co-operation and harmonisation of food standards, and a collective movement in the industry to restore consumer confidence. A 2010 study conducted for DNV by Michigan State University underscored the growing consumer concern and consumers' inclination to look – and pay more – for certified products.

Certification is a vital part of the solution, and DNV experienced continued strong growth in its certification services (27%) for the Food & Beverage sector. Our commitment to this industry continues to be strong both as a service provider and by being involved in developing new standards. A stronger focus on the seafood segment was launched in 2010, and we are continuing to develop our services within both wild catch and aquaculture. We have a strong position in the Nordic countries and will make efforts to expand in 2011.

TRAINING. Competence development is a critical factor for companies in general, and a key element in the certification process, in risk management and in building trust and fostering sustainable operations. As such, training services constitute an important part of our business and we see great growth opportunities here.

OTHER ACHIEVEMENTS IN 2010

➔ FREIGHT SECURITY CERTIFICATION

The transportation of high-value goods and products has become a challenge for the industry owing to a rapid increase in cargo theft. Such goods are prime targets for thieves when stored in warehouses or while in transit. Freight Security Requirements (FSR) governed by the Transported Asset Protection Association (TAPA) are designed to ensure that the Association's members' high-value goods and products are safely and securely handled, transported and stored. DNV has signed a Memorandum of Understanding (MOU) with TAPA to provide FSR certification services to the market.

➔ FOOD SAFETY STUDY

DNV and Michigan State University (MSU) conducted a food safety study in the US – the first of its kind. The study reveals changing shopping habits and demand for certification from consumers and industry professionals. Both consumers and food suppliers view the producers and manufacturers as key players in the supply chains for assuring safe food. The study also showed that both consumers and food suppliers recognise that certified products are somehow safer than non-certified products, and that certified products are received more positively by consumers.

Sustainability to the fore

As the demand for sustainable development is becoming increasingly prevalent in the market, DNV is continuing to build new positions beyond its traditional services to help businesses assume a leadership role and sustainable advantage in the market.

FOCUS ON SUSTAINABILITY

THE SUSTAINABILITY MOVEMENT has become increasingly important for businesses worldwide as they face rising competition and the need to meet economic, social and environmental requirements. This factor is exacerbated by the challenges facing the world, such as climate change, feeding a growing population, meeting the increasing demands for energy and tackling disease.

In an effort to address these issues and meet changing customer needs, DNV set up a dedicated Sustainability & Innovation division in April 2010. The division aims to have a global

impact on the sustainability agenda and, in particular, on industries and sectors where DNV is not yet seen as a global player.

Among the areas the division is specifically concentrating on initially are climate change, healthcare and biorisk services, and our risk management & corporate responsibility services. We are leveraging on the rising global demand for innovation by further developing DNV's strategic research unit and the provision of holistic risk management services through our Sustainability Centre in China.

In 2010 DNV maintained its leading greenhouse gas validator position with a 25 per cent market share of all clean development mechanism (CDM) projects globally, offering a wide portfolio of related services ranging from carbon footprinting to the risk management of carbon projects.

THROUGHOUT THE YEAR, the intense debate about climate change continued. Unlike in Copenhagen 12 months earlier, the UN climate

change talks in Cancun made tangible progress in putting multilateral negotiations back on track. A number of agreements were reached, notably plans to launch a USD 100 billion Green Climate Fund to finance mitigation and adaptation in developing countries, the reporting and verification of emission reductions, and principles for reducing emissions from deforestation and forest degradation. Essentially, the agreements reached in Cancun mean that the emissions reduction targets set out in Copenhagen can now be formally recognised within the UN negotiating process. Countries will now continue to work towards agreement on other elements, such as the Kyoto Protocol, given that the first commitment period expires in 2012.

Also, it is encouraging to see that the developed countries have committed to the UN Framework Convention on Climate Change and pledged to mobilise funds to finance technology transfer, capacity building, miti-

gation and adaptation activities in developing countries. DNV is well positioned to build trust and confidence in the new fund mechanisms by ensuring reliable results and managing technology transfer risks.

IN 2010 WE LEVERAGED our experiences within the healthcare sectors in the US and the UK to expand our healthcare risk management services to central Europe. In addition, China is implementing a completely new healthcare reform for 1.3 billion people. Through DNV's Sustainability Centre in Beijing, we have formed a joint venture with the Chinese Ministry of Health to support the implementation with DNV's risk management approach.

CORPORATE SOCIAL RESPONSIBILITY is now seen by many companies as mainstream. To meet the growing customer needs the range of services offered by our global hubs were expanded throughout the year. More importantly, our clients now open their doors and do not question the "business case" for being responsible.

DNV's services within this domain range from third party Management System Certification to the verification of Corporate Responsibility reports and advice on strategic sustainability and emerging risk management issues.

One example of this is "conflict minerals" which can be found inside small components in your electronic devices. Were you to trace the materials you might find that the ore comes from mining in the Congo, funding a bloody civil war. Recent US legislation requires all electronic manufactures (or the brand owners) to trace and audit their supply chains and avoid Congolese minerals. DNV has helped a well-known American brand to develop an audit protocol to verify and demonstrate compliance.

Last year we actively shared knowledge and insight gained from our research and

25% CDM MARKET SHARE

DNV maintains its leading global position as greenhouse gas validator with a 25% market share of all clean development projects (CDM) in 2010.

180 HOSPITALS ACCREDITED

DNV accredited over 180 hospitals in the US according to the DNV standard. Interest in DNV's healthcare services is increasing in the US and increasingly in Europe and Asia.

TECHNOLOGY OUTLOOK 2020 – PREPARING FOR THE FUTURE

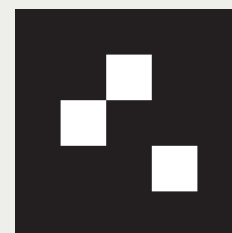
DNV's Research and Innovation unit has a long tradition of publishing Technology Outlook, which looks at the key technologies and trends that will have an impact on the maritime and energy sectors towards the end of this decade. The objective is two-fold: to stimulate open discussion about future technologies and trends with customers and other stakeholders, and to provide input to DNV's strategy and service development in order to prepare DNV for this future.

GET A 3D GLIMPSE OF TECHNOLOGY OUTLOOK 2020!

If you have a computer with a webcam, you can experience a unique feature and get a snapshot of the contents of Technology Outlook 2020.

Go to the web page: dnv.com/2020

Point your webcam at the square marker for a little while. You will then see Director of Research and Innovation, Elisabeth Harstad 'come alive' and pop out of the page! She will introduce a short video about Technology Outlook 2020.



innovation activities in several position papers relating to climate change issues. We also started work on our Technology Outlook 2020 report (see top of the page for more information).

OTHER AREAS DNV is addressing are the climate change adaptation challenges for off-shore oil and gas and wind turbine installations, ships, ports, seaways and Arctic operations, and solutions in selected energy production, distribution and consumption facilities. In addition, work is underway to develop expertise and offer services relating to sustainable mobility and cities for the future, and investigate whether water related services can represent a significant future for DNV.

RECOGNISING THE NEED for collaborative business models, we continued to work closely in 2010 with industry groups, public authorities, universities, the EU Commission and sustainability organisations such as the World Business Council for Sustainable Development and the UN Global Compact.

IN SPITE OF INCREASING EVIDENCE that more and more companies are adhering to responsible practices, challenges still remain. If globalisation has taught us anything, it should be that we are all inextricably linked and that our actions all impact upon one another. Rising to the sustainability challenge will therefore require a huge, coordinated effort going forward, and we remain committed to making a global impact for a safe and sustainable future.

OTHER ACHIEVEMENTS IN 2010

➔ **BEST VERIFIER.** DNV was selected as 'Best Verifier' in the 11th annual Environmental Finance and Carbon Finance market survey of environmental markets.

➔ **TECHNOLOGY TEAM AWARD.** DNV's Research & Innovation team won the 'Outstanding Technology Team' award for 2010 Tech Columbus Innovation.

➔ **JOINT RESEARCH CENTRE FOR HEALTH CARE.** The China National Health Development Research Centre and DNV established a joint research centre in Beijing.

➔ **NEW SOCIAL RESPONSIBILITY STANDARD.** After five years of work involving participation from 100 countries and 40 international organisations, including DNV, a common international social responsibility standard (ISO 26000) was launched 1 November. The standard is a major global reference point for social responsibility.


ECONOMY

ENVIRONMENT

SOCIETY



How we work



The main way in which we try to achieve our vision of making a global impact for a safe and sustainable future is through the services we offer. In addition, we have a responsibility to ensure that we adopt best practices in the way we run our business; from the way we manage our key stakeholders to the actions we take to reduce our impact on the environment.

CORPORATE RESPONSIBILITY >>

PEOPLE >>

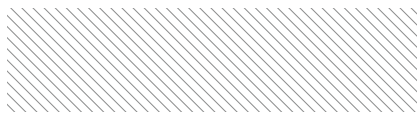
ENVIRONMENT >>

HEALTH AND SAFETY >>

Integrating corporate responsibility in our business

Corporate Responsibility in DNV is about enhancing the positive impacts that our core business activities have on society; through how we conduct our business and how the company is managed.

CORPORATE RESPONSIBILITY



Our progress is reported under the following areas:

- Business ethics
- Society and stakeholder engagement
- International collaboration
- People
- Environment
- Health and safety

The latter three will be described on the next pages.

INTEGRATING CR. The Executive Committee and each Chief Operating Officer are responsible and accountable for Corporate Responsibility (CR) in DNV. CR is a regular agenda item at top management meetings. The Corporate Social Responsibility Officer coordinates CR activities in order to ensure that they meet the expectations of our stakeholders, represent a common corporate platform and are implemented in all business areas and in all regions.

BUSINESS ETHICS. DNV's Corporate Social Responsibility (CSR) Board continuously monitors the risks and opportunities associated with our global presence. The corporate responsibility risks that are considered material to our operations are included in DNV's corporate risk management tool, Easy Risk. In addition to this, the Executive Committee and CSR Board approved the internal use of our own Corporate Integrity Profile (CIP) tool in 2010, further consolidating our risk-based approach to fraud

and corruption assessment. In 2011 assessments will be made in China, Benelux and Norway, and additional countries/regions will be included in subsequent years.

More information on CIP can be found at:
dnv.com/focus/cr

In order to ensure that we live up to our value of never compromising on quality and integrity, we offer a range of training activities to all employees and at the end of 2010 nearly 60% of all employees had completed our mandatory "Dealing with Dilemmas" training. In addition, all new employees undertake compulsory training on living our corporate values, our vision and our purpose, creating awareness of behavioural norms and expectations in line with DNV policies and instructions which set out clear expectations for personal and professional conduct. Our focus on raising awareness on issues relating to business ethics will continue in 2011.

➔ SUPPORT OF UN GLOBAL COMPACT PRINCIPLES

DNV is committed to the universal principles of human and labour rights, environmental standards and anti-corruption and signed the UN Global Compact in 2003. DNV works to continuously demonstrate

responsible practice in these areas within its own organisation as well as advancing these principles with others through its objective to safeguard life, property and the environment.



Misconduct is defined as a breach of DNV policy, national or international law or relevant regulatory frameworks, protocols and standards, and our guideline Crossing the Line provides additional practical support. There are a number of channels for reporting misconduct, either by colleagues, suppliers or agents working on behalf of DNV. These are clearly defined in our Reporting of Misconduct in DNV guidelines.

While we encourage reporting through the line, the Ombudsman route is available for all to use where it is deemed appropriate or preferable. Where relevant, the Ombudsman seeks support from the CSR Board, which consists of senior management representatives of each geographical division, and a nominated employee representative, and is chaired by the CSR Officer. In 2010, ten cases of suspected misconduct were reported to the Ombudsman. Of these, six were related to discrimination, while four were related to other breaches. The Ombudsman also acts as an ethical helpline and the vast majority of issues brought to the Ombudsman in 2010 were to seek advice and guidance on ethical dilemmas. This is seen as being a positive indication of CR pervading everyday business decisions at all levels in the organisation.

SOCIETY AND STAKEHOLDER INVOLVEMENT. DNV actively supports several national and international initiatives focussing on sustainable development and responsible business practice. We are strongly committed to the principles of the UN Global Compact, and are represented on the advisory committee on Supply Chain Sustainability. DNV is an organisational stakeholder and member of the Stakeholder Council of the Global Reporting Initiative (GRI) and continuously works to ensure transparency in its corporate reporting. It aims to have achieved A+ level on the GRI index by 2014. We are members of AccountAbility (AA) Technical Committees, and were members of the AA Standards Board until it was dissolved at the end of 2010.

Our membership of the World Business Council for Sustainable Development (WBCSD) continues to provide an excellent platform for enabling businesses globally to adopt more responsible business practices. Particular attention is paid to work on Climate Change, also a key strategic growth area for DNV, whose core team includes DNV's CEO, Henrik O.Madsen.

We also use other opportunities to promote CR issues. An example is facilitating workshops for the Confederation of Norwegian Enterprise (NHO) to enable businesses to properly assess the CR risks related to market opportunities in Angola.

More information on international collaboration partners can be found at:

dnv.com/moreondnv/cr/collaboration

COMMITTEES – ENSURING RELEVANT SERVICES AND STANDARDS. On a more operational and technical level, DNV has established a wide range of advisory committees consisting of customers and technical competence centres. These committees advise on how to develop our services and standards and how to promote our interests in the countries and industry segments we operate within. The committees are often chaired by a customer representative.

Similarly, the DNV units holding accreditation from national accreditation bodies have set up advisory boards. Committees and advisory boards are examples of our commitment to embracing the notion of multi-stakeholder engagement. Also, regular customer surveys provide essential feedback to continuously improve the quality and relevance of our services in alignment with stakeholder expectations.

For a full overview of the committees and advisory boards and their members:

dnv.com/moreondnv/profile/committees

RED CROSS PARTNERSHIP. DNV completed its sixth year of partnership with the Red Cross. We continued supporting water and sanitation projects in the provinces of Jilin (China) and Phu Tho (Vietnam). Two additional projects were supported in 2010 in the Vietnamese province of Yen Bai. Components of these projects include supporting a new water system construction, providing cows to families and transferring the know-how of cow breeding in a sanitary manner, and training in vegetable cultivation and personal hygiene.

Furthermore, we decided to financially support a project to improve the living conditions in the favelas in Brazil from 2010 to 2012. The aim is to provide health and safety training, primarily to children, mothers and people with disabilities.

Our international collaboration with the Red Cross has inspired a number of volunteering initiatives in DNV. Some examples include collecting used bikes for sale in the Red Cross second hand store, helping the local Red Cross to organise a Christmas party for children living with their mothers in women's refugee homes, and a donation of CNY 1.4 million to the China Red Cross Society from the company and individual employees in DNV Greater China.

In Norway, all employees chose to collectively donate NOK 1.2 million to Cancer Research instead of receiving a personal Christmas gift.

More on our Red Cross partnership can be found at:

dnv.com/moreondnv/cr/collaboration/redcross

Making the organisation fit for purpose

2010 in DNV was characterised by a reorganisation and an economic downturn with its subsequent effects on the headcount. Despite these pressures, competence development and employee enablement remained high on the agenda.

PEOPLE

REORGANISATION. In 2010, DNV changed back to an organisation based on geographical divisions. DNV has reorganised at 8–10 year intervals over the past decades acknowledging that there is no perfect structure.

The rationale for the reorganisation was to make DNV 'fit for purpose' for the new 2010–2014 strategy period. The new organisation is designed to:

- Ensure full focus on the maritime and energy industries.
- Unleash the full potential for utilising the breadth of DNV's competencies
- Ensure high-impact customer service management.
- Position senior executives closer to customers.

- Allocate resources where they can have the highest impact.
- Increase the focus on technology, sustainability and innovation.

The reorganisation went smoothly and was operational as planned as of 1 April. All employees were assigned to a home unit as part of the reorganisation. More than 60 positions, many managerial, in the new divisional structure were advertised internally and filled through an extensive and thorough HR process.

There are still some adjustments to be made before the new organisation is working at its full potential. An element that needs attention is the 'one DNV' culture to avoid the building of new silos between geographic areas, and to ensure global processes and a rapid flow of information and knowledge across organisational boundaries to better serve our customers. Therefore, the corporate intranet is designed around common tools and resources, services and segments, rather than organisational units. There is also a series of WE in DNV courses (web-based and classroom) for new employees.

IMPACT OF THE FINANCIAL CRISIS. DNV started the year suffering from the lagging effects of the financial crisis, including reduced activity in ship new-building, uncertainty and postponed investments in the energy sector, and fierce price competition. The mitigating actions taken, such as not replacing all staff who left or retired, transfers between services and geographies, early retirement and a recruitment freeze, affected headcount numbers. While the overall headcount decreased, DNV managed to avoid major layoffs. At the end of 2010, DNV had 8,440 employees, compared to 8,867 the previous year. Only 440 new employees came on board in 2010.

A number of other measures to reduce operational costs were implemented in 2010, which placed additional demands on employees. Nevertheless, employees made a strong contribution, and DNV was able to achieve a satisfactory result for the year.

DNV continues to strive for diversity in the employee base, and for this to be reflected at management levels. A managerial career should not be hindered by nationality or gender if the employee has the competence,

TABLE 01 WORKFORCE BY EMPLOYMENT CONTRACT

Employee class	2009	2010
A – Permanent employee	8,488	8,151
C – Contract	379	289
S – Subcontractor	3,079	3,120
X – Extraordinary	419	347

TABLE 03 WORKFORCE WORLDWIDE

	Employees ¹		Females (%)		Turnover ² (%)		Expatriates (%)		Local mgmt ³ (%)	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
	Africa	73	67	25	22	11.9	9.0	13.7	11.9	40.0
Americas	1,146	1,114	35	35	10.7	13.8	2.9	4.6	76.8	79.0
Asia/Oceania	2,482	2,367	28	28	5.7	9.1	9.8	9.3	67.4	69.1
Europe	2,012	1,906	37	36	7.7	9.3	2.2	1.7	89.4	87.5
Middle East	226	218	27	25	10.2	15.6	12.8	12.4	20.6	16.3
Nordic/Baltic	405	401	34	34	7.8	9.6	2.2	2.5	85.7	86.3
Norway	2,523	2,367	32	32	3.3	5.8	1.3	0.8	92.3	91.9

¹ Number of Class A and C employees ² Calculated only for Class A ³ Local management – managers with country's citizenship

attitude and values needed. In 2010, the percentage of female managers reached an all-time high of 21%. In addition, we have calculated the discrepancy in salary between male and female employees and find that women earn 0.6% less than the average salary when accounting for salary grade, education level, years of experience and country. At the Senior Management Council level there remains an overweight of Scandinavians. Thorough succession management processes are being rolled out in DNV as one way of increasing the number of local managers.

DEVELOPING COMPETENCE. Competence development, e.g. technical and manager training, remained at a high level during 2010. Cross-training of managers from the

FIGURE 01 EMPLOYEES, LEVEL OF EDUCATION

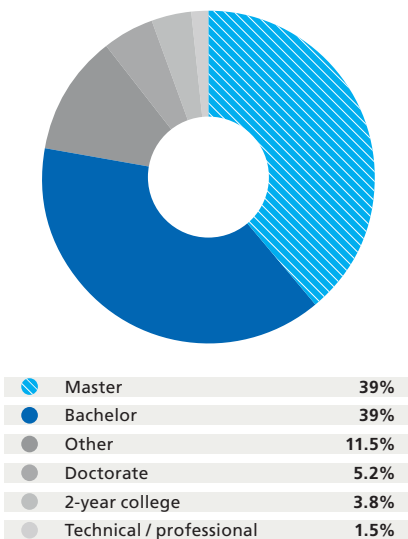


TABLE 02 TRAINING > SUM OF REGISTERED EMPLOYEE HOURS IN INTERNAL CLASSROOM COURSES

Employee class	Sum hours	Employees	Hours/empl.
A – Permanent employee	97,104	8,151	11.91
C – Contract	2,422	289	8.38
S – Subcontractor	301	3,120	0.10
X – Extraordinary	427	347	1.23

Employee classes

■ **A – Permanent employee:** DNV has employers' responsibility and employee is on DNV payroll.
 ■ **C – Contract:** Same as 'A' but time limited: Personnel, with a defined contract end date. Contract is typically for over one year.
 ■ **X – Extraordinary:** Temporary personnel: paid either by invoice or by DNV. Examples: Summer temps, maternity leave cover, seasonal worker, graduates. ■ **S – Sub contractor:** Consultants, long-term hired. Paid by invoice only.
 The differentiation of employees is necessary for DNV especially regarding the employment regulations in these different classes. Full-time and part-time employees (Class A) generally have the same benefits per salary grade per country. Some benefits vary between permanent and temporary employees, e.g. eligibility for pensions.

former Maritime and Energy business areas was carried out to support the potential for utilising the breadth of DNV's competencies in the new organisation. The trainee programmes – both technical and managerial – also continued, as well as the dedicated programme for technical specialists.

On-the-job training remains the most important part of competence development. Thus the reorganisation offered extensive opportunities for employees to take on new responsibilities, work with new types of projects and cooperate with new colleagues. In addition, in-house training courses were conducted, using a variety of media including classroom, web courses, and nano-learning modules.

Investment in research and innovation also continued in 2010. DNV took advantage of the downturn by allocating additional resources to several important innovation projects which will benefit us going forward.

ENGAGING AND ENABLING EMPLOYEES.

A new People Engagement Process was launched in 2010. The process includes an annual People Engagement Survey, which was conducted for the first time in June. 91% of employees responded to the survey. This was followed by the most extensive post-survey process DNV has ever conducted. Based on the results, all units were to identify areas of strength or weakness to follow-up during the next 12 months in order to lower barriers that limit employees' engagement or ability to perform to their potential.

The Managing Individual Performance (MIP) process plays a key role in the engagement process by providing a framework for a constructive dialogue between employees and managers in order to define useful, challenging and motivational goals. In addition to the business-related goals and normal job expectations included in the MIP framework, in 2010 it

was expanded to include a 0–5 year individual competence development goal. The participation rate for the MIP continues to be very high at 97%; the focus now is on continuous improvement in the quality of the process.

In addition, The Global Employee Forum (GEF), which ensures employee input and representation in corporate processes, continued to develop in 2010. For example more time was dedicated to preparation for meetings in order to strengthen the presentation of employee views.

SIMPLIFIED MANAGEMENT SYSTEM.

In line with the new organisation, a new DNV Management System was launched on 1 November 2010 to replace the former Corporate Governing Manual and the management manuals for the former Maritime and Energy business areas. The system is now simpler and the number of instructions employees must relate to has been reduced. In addition, the updated Code of Personal Conduct describes the requirements and expectations as to DNV employees while performing work on behalf of DNV, which is designed to help employees protect DNV's integrity, as well as their own.

FIGURE 02 WORKFORCE BY AGE GROUP

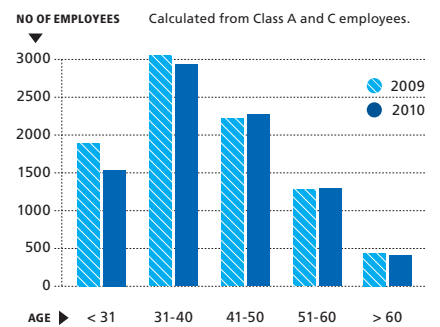
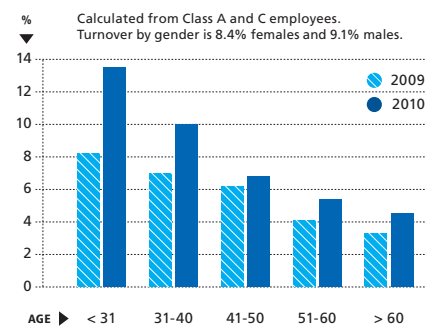


FIGURE 03 TURNOVER BY AGE GROUP



Reducing our environmental impact

The annual environmental reporting in DNV is mandatory for our five Petroleum Services (PS) laboratories and all office locations with more than 40 employees. In 2010, environmental reports represented approximately 67% of our organisation in terms of number of employees.

ENVIRONMENT

ENERGY CONSUMPTION. The reported energy consumption for 2010 was 52.5 GWh. About 3 GWh was reported from locations that did not participate in the environmental reporting for 2009. For the locations reporting both in 2009 and 2010, there was an increase of about 0.4% in the reported energy consumption.

The specific energy consumption in the office locations continued to decrease in 2010, to about 8.6 MWh/person from 9.4 MWh/person in 2009 (-9%).

The fraction of renewable energy decreased from 72% in 2009 to about 68% in 2010. This was primarily due to a cold winter demanding increased use of heating oil at the Høvik offices. A planned change to a more effective heat pump at Høvik by September 2011 will reduce the need for oil significantly.

Hydropower continues to be the dominant source of renewable energy, but the amount of the energy consumed from other renewable sources than hydropower increased by about 13% compared to 2009.

EMISSIONS TO AIR. The emissions to air were calculated from the reported consumption of energy reported by the office locations and PS laboratories. The emissions of greenhouse gases (GHG) were calculated in accordance with the guidance given in the Greenhouse gas protocol. Due to the lack of region- and source specific emission

factors, the emissions of nitrogen oxides (NO_x) and sulphur oxides (SO_x) have been estimated at a high level only.

TABLE 04 ANNUAL ENVIRONMENTAL REPORTING STATISTICS

	2008	2009	2010
Reporting:			
- Locations	22	26	39
- Employees ¹	4 351	4 876	5 659
DNV total:			
- Locations ²	292	297	284
- Employees ¹	8 694	8 867	8 440
Percentage reporting ³	50%	55%	67%

¹ Employees on permanent and long term contracts

² Includes minor site offices

³ Based on number of employees at reporting locations

For 2010, the calculated emissions to air include the following sources:

■ **Direct emissions (Scope 1):**

emissions from combustion of oil and gas for the production of heat at locations managed by DNV.

■ **Indirect emissions (Scope 2):**

emissions from the production of heat or electricity procured by DNV, but produced at sites not managed by DNV.

The emissions of CO₂ at the reporting locations in 2010 was approximately 8,697 tonnes, of which the offices reporting for the first time represented about 758 tonnes. For the locations reporting both in 2009 and 2010, there was an increase of CO₂ emissions of about 25% compared to 2009.

For the office locations, the specific emissions increased from about 1.0 tonnes CO₂ per person in 2009 to 1.2 tonnes CO₂ per person in 2010 (25%). The estimated emissions of NO_x and SO_x increased by 6% and 7% respectively when compared to 2009. This was a result of the more extensive use of oil and gas for heating purposes at some office locations in 2010.

REDUCED CARBON FOOTPRINT IN IT. DNV took an aggressive approach to energy consumption throughout the company in 2010. It took two major initiatives in the Information Technology area: DNV moved to (1) reduce the environmental impact of computing within the company (2) promote collaborative tools and video conferencing to reduce travel

Data centres comprise a considerable portion of the total energy consumption related to computers, 50% of which is consumed by servers, 40% by cooling and 10% by power conversion and distribution. Virtual server capabilities have made possible the successful elimination of 366 physical servers and the associated power and cooling costs and emissions. This represents a 35% reduction in physical servers across DNV. Future progress will be measured against this baseline.

Aside from the risks and increasing costs associated with travel, it is also a major contributor to carbon emissions in today's global workplace. In 2010 DNV worked to reduce the by-product of unnecessary travel through collaborative computing tools and video conferencing. The company's current use of video conferencing is at approximately 30% of capacity. Internal meetings represent 90% of that time, with the remaining 10% made up of meetings with clients.

TABLE 05 ENERGY CONSUMPTION FROM REPORTING LOCATIONS (GWH)

		2008	2009	2010	Change
Offices	Hydro	23.6	26.7	25.5	-4%
	Renewable	7.1	7.9	9.0	13%
	Non-renewable	10.1	10.8	13.6	26%
PS laboratories	Hydro	0.5	0.5	0.5	
	Renewable	0.1	0.1	0.1	
	Non-renewable	3.2	3.3	3.8	14%
Total	Hydro	24.1	27.2	26.0	-4%
	Renewable	7.2	8.0	9.1	13%
	Non-renewable	13.3	14.1	17.4	23%
Sum		44.6	49.4	52.5	6%
Locations reporting		18	23	39	61%
MWh / person in offices		9.4	9.4	8.6	-9%

TABLE 06 CO₂ EMISSIONS FROM REPORTING LOCATIONS (TONNES)

		2008	2009	2010	Change
Offices	Scope 1	398	512	918	79%
	Scope 2	4 477	4 088	5 747	41%
PS laboratories	Scope 1	24	25	43	69%
	Scope 2	2 000	1 748	1 990	14%
Total	Scope 1	422	537	960	79%
	Scope 2	6 477	5 836	7 737	33%
Sum		6 899	6 373	8 697	36%
Locations reporting		22	26	39	50%
Tonnes CO ₂ / person in offices		1.1	1.0	1.2	25%

TABLE 07 ESTIMATED EMISSIONS OF NO_x AND SO_x FROM REPORTING LOCATIONS (TONNES)

		2008	2009	2010	Change
Offices	SO _x	89	98	104	6%
	NO _x	45	49	51	5%
PS laboratories	SO _x	10	10	11	10%
	NO _x	5	5	6	10%
Total	SO _x	99	109	116	7%
	NO _x	49	54	57	6%

As technology improves along with the increasing ease of using cross platform communications, these figures will improve. Microsoft's Live Meeting, for example, makes conferences between two large sites possible.

FIGURE 04 REPORTED ENERGY CONSUMPTION

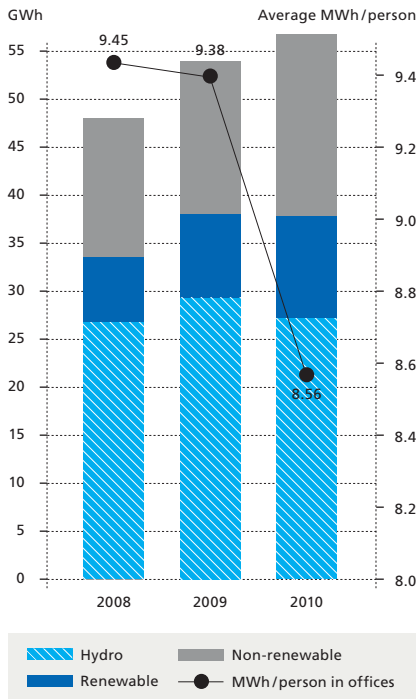
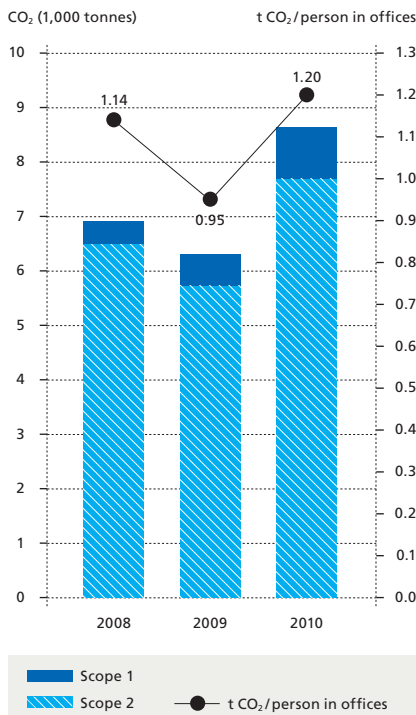


FIGURE 05 REPORTED CO₂ EMISSIONS



REWARDING WHAT EMPLOYEES DO TO LIMIT THEIR ENVIRONMENTAL FOOTPRINT.

'WE do' is an environmental programme with the purpose of influencing the DNV culture. It is designed to clarify what DNV expects, reinforces and rewards in terms of personal behaviour. In 2010, the company set aside NOK 40 million in order to partially finance personal environmental actions. The programme provides financial support (up to 2/3 the cost, before taxes) for employees investing in personal environmental projects such as purchasing a low emission car or solar water heating. The low energy appliance project was the most popular, with 1,607 applicants.

For one of the projects, employees were encouraged to cycle to work. Those cycling a certain distance (800 km) or certain number of days (minimum 40) between their home and the office were eligible to receive a monetary bonus. In 2010, nearly 1,300 employees took part in the project. Over 865 cyclists (approximately 10.2% of all employees) have cycled 800 km or more, a total distance of 1,218,281 km. Assuming that cyclists have switched from using their cars to cycling and that their cars represent a mix of 70% petrol- and 30% diesel cars, a total CO₂ emissions of 209.7 tonnes have been avoided. As with the previous year, cycling was the second most popular WE do project in 2010.

THE HOUSTON, BEIJING AND GDYNIA OFFICES' GREEN BUILDING PROJECTS.

The Houston (US), Beijing (China), and Gdynia (Poland) offices have all launched green building projects aimed at taking environmentally friendly approaches to building construction and use.

The Beijing facilities were awarded its Gold LEED Certificate in April 2010. This is the next to highest certification from Leadership in Energy and Environmental Design (LEED) – a voluntary certification programme to promote sustainability by focusing on a number of key areas. These include water energy and resource efficiency, indoor environmental quality, location and linkages, regional priority and innovation in design. The Beijing office focuses on a range of initiatives, including the use of natural light to decrease the use of electrical lighting as well as plants and CO₂ measurement as a tool to improve indoor air quality. Then in June, the Houston office in its new facility in Katy, Texas earned the US Environmental Protection Agency's (EPA's) ENERGY STAR, the national symbol for superior energy efficiency and environmental protection. Commercial buildings and industrial plants that rate in the top 25% of facilities in the nation for energy efficiency may qualify for the ENERGY STAR.

To earn this award, DNV did the following:

- (1) Implemented Environmental Management System certified to ISO 14001
- (2) designed and moved into new office facilities using Energy Star guidelines and LEED's Gold level design standards in construction.

The Houston office moved in 2009 to the new facility in Katy, Texas, that is designed to reduce energy consumption, lower energy costs, reduce solid waste and minimise harmful pollutants released to the atmosphere.

Also in 2010, DNV Poland opened its first 'green' building, specifically designed and constructed to realise cost-effective measures to enhance energy efficiency. The building, which was constructed to meet voluntary standards recommended by the European Union's Green Building Programme, is located in Gdynia, Poland along the public rail system about 20 km from the Gdansk airport. No one single component of the building makes it green, rather its design is based on a broad range of initiatives from temperature control systems to building material and energy efficient solutions – including energy friendly transport solutions. The Building management system (BMS), which was developed by a recognised global specialist in energy management, regulates lighting and temperature in different parts of the building using a network of sensors. At present, only 200 buildings in Europe meet the demanding programme criteria – this includes five in Poland.

BENELUX GREEN MOBILITY PROJECT. Two years ago, the Benelux offices replaced the traditional car lease policy with a 'Green mobility policy' that encourages the use of public transport, provides only company cars with below average emissions, and also gives employees incentives for selecting the lowest emissions category cars. The target has been to reduce average emission per car by at least 20% by the end 2012. The Benelux employees have enthusiastically supported the project – and it is ahead of its target. At the end of 2010, the average CO₂ emission per company car has already been reduced by 15%. This is a further reduction over the 8% reduction by the end of 2009 which covered the first 18 months in which the policy was implemented. Based on current progress, the Benelux region is considering increasing its target for CO₂ emissions reduction even further – perhaps as much as 25–30%.

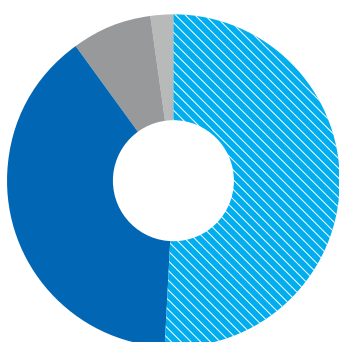
WASTE. The amount of waste generated at the reporting locations for 2010 was approximately 1,100 tonnes, of which the offices reporting for the first time

represented about 24 tonnes. For the locations reporting both in 2009 and 2010, there was a decrease in generated waste of about 19% compared to 2009.

For the office locations, the specific waste generation decreased from about 261 kg per person in 2009 to 181 kg per person in 2010 (-31%).

PS laboratories increased their recycled waste by 24% and decreased their residual waste by 74%. PS laboratories' hazardous waste is mainly from tested oil samples and 98% are delivered to licensed handlers. The remaining 2% are incinerated on-site.

FIGURE 06 HAZARDOUS WASTE IN PS LABORATORIES



Delivered to licensed contractors:	
Chemicals	51%
Waste oil	39%
Other	8%
Incinerated on-site:	
Waste oil	2%

FIGURE 07 REPORTED WASTE GENERATION

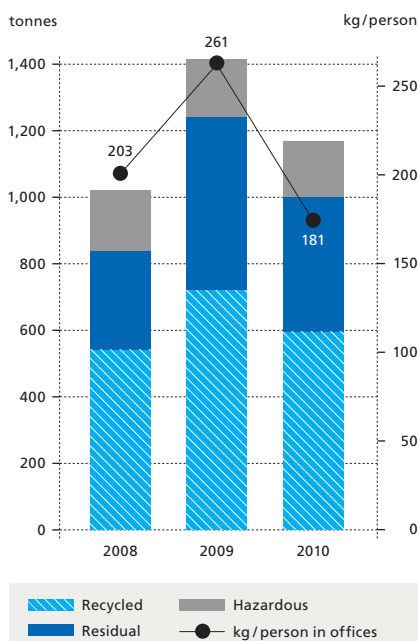


TABLE 08 AMOUNT OF WASTE GENERATED BY REPORTING LOCATIONS (TONNES)

		2008	2009	2010	Change
Offices	Recycled	532	708	580	-18%
	Residual	277	522	410	-21%
	Hazardous	60	28	21	-26%
PS laboratories	Recycled	3	7	8	24%
	Residual	34	19	5	-74%
	Hazardous	130	125	136	9%
Total	Recycled	536	714	589	-18%
	Residual	311	541	415	-23%
	Hazardous	190	153	157	2%
Sum		1 036	1 408	1 160	-18%
Locations reporting		22	26	39	50%
kg / person in offices		203	261	181	-31%

ENVIRONMENTAL IMPACT OF OUR SERVICES

■ Values 2010

The positive impact we have on the environment through the services we deliver to our customers is estimated to be far bigger than the negative impact of our operations. Below are selected indicators that reflect the positive performance of our services against significant environmental risks and issues of global concern.

SERVICES TO THE MARITIME INDUSTRY

Emergency Response Service (ERS) for assistance on the stability and residual strength of vessels in an emergency.

- The total number of vessels enrolled for this service by the end of 2010 was 2045. This is up 11.7% from 2009.
- The total number of ERS cases handled in 2010 was 16 of which:
 - 6 were groundings
 - 6 were collisions
 - 3 were structural collapses
 - 1 was water ingress

Class notation that reduces the environmental impact from ships due to air emissions and sea discharges.

- Ships in operation with Clean and/or Clean Design: 600
- New buildings with Clean / Clean Design: 400
- Ships in operation with VOC (Volatile Organic Compound) notation: 886
- New buildings / in order / pre-contract with VOC notation: 199

Use of cleaner fuel.

- DNV Classed ships using LNG as fuel:
 - Ships in operation: 20
 - Ships in order book: 15

SERVICES TO THE ENERGY INDUSTRY

Wind energy projects involving DNV.

- Through 2010, DNV has worked on more than half of the installed wind capacity in the US and the majority of the offshore wind projects worldwide. These projects displace approximately 60 million tonnes of CO₂ emissions each year.

Carbon capture and storage (CCS) projects involving DNV.

- In 2010, DNV worked on CCS projects that potentially contribute to an annual reduction of CO₂ emissions of 21 million tonnes.

SERVICES TO THE CARBON MARKET

DNV verified CDM projects and their CO₂ reductions (1 CER is equal to one tonne of CO₂ equivalent)

- By the year end, DNV had verified projects with a reduction of 386 million CERs per year, which is 29% of the total CDM verification market.

DNV validated CDM projects and their CO₂ reductions.

- By the year end, DNV had validated 2,000 out of 7,000 projects totally. The approved and registered projects represent 200 million CERs per year.

Managing health and safety

Certification of DNV's occupational health and safety management system is high on the agenda in 2011. A pre-assessment was completed by a third party certification body in 2010, and the official process of certifying DNV to the OHSAS 18001 standard has now begun.

HEALTH AND SAFETY



HEALTH AND SAFETY REPORTS. Reporting is an important part of the occupational health and safety management system. Our safety and health reports include hazards and incidents involving employees and contractors working for and on behalf of DNV, as well as members of the public visiting DNV premises and DNV's property and operations. There were 606 work-related incidents and hazards reported in 2010, an increase of 22% compared to 2009.

This increase is not believed to reflect deterioration in health and safety standards, but to be the result of a DNV-wide focus on the importance of reporting incidents and hazards. 35% of the reported incidents and hazards were assessed as high and medium loss potential. More than 60% of the medium and high loss potential incidents and hazards are related to surveys and inspections and 16% are related to transport and travelling.

Knowledge gained from our incident and hazard reporting system is shared throughout DNV using an incident and hazard experience online database. This experience database contains de-personalised information about serious incidents and hazards and the preventative/corrective actions taken, and is available to all employees. In addition, a monthly presentation containing a selection of the most significant incidents

is distributed organisation wide for use in unit meetings to raise awareness amongst employees.

Worked hours in the safety and health incidents statistics represents hours worked by employees on permanent and long-term contracts. The number of incident reports per million worked hours varies for the different regions (figure 8). To some extent, these differences are assumed to reflect differences in reporting culture. The high injury accident frequency for Africa represents two accidents with minor injuries.

SICKNESS ABSENCE. The total sickness absence rate has increased from 2.1 in 2009 to 2.2 in 2010 but is still considered to be acceptable. The increase is partly due to more consistent reporting of million worked hours, as subcontractor work hours have partly been included in earlier years.

ACCIDENTS AND OCCUPATIONAL HEALTH ISSUES. The accident categories 'Slips, trips or falls', and 'hitting or being struck by objects' each represent more than a third of the 147 accidents resulting in personal injury.

Almost 40% of the 49 occupational health issues reported were caused by exposure to noise, extreme temperatures or inadequate air quality, and another 40% were caused by overstrain, exertion or repetitive strain.

Figures 9 and 10 show how accidents and occupational health issues are distributed on work processes.

LOST TIME ACCIDENTS AND OCCUPATIONAL HEALTH ISSUES WITH ABSENCE ≥8HRS. 23% of the absence hours linked to work related accidents were due to broken or fractured bones, 18% to contusions, 18% to muscular sprains, and 10% to cuts, gashes and puncture wounds. The number of lost time accidents per million worked hours (LTA) was the same as in 2009, while the number of days absence due to lost time accidents per million worked hours (SAI) has increased by 10.3% (table 9). The increase in SAI is due to improved quality in reporting of accident absence hours. 40% of the accident absence hours are related to transport and travelling, 28% to surveys and inspections, 16% to team-building, and 9% to office work. Almost all of the absence hours related to transport and travelling were due to motor vehicle accidents. In 2010 there were no reported accidents leading to absence that were related to laboratory work.

60% of the absence hours relating to occupational health issues were due to muscular sprains/strains, and 10% to stress. The hours of absence due to occupational health issues per million worked hours has increased from 4.7 in 2009 to 5.0 in 2010. This increase is also due to the improved quality in reporting of occupational health issue absence hours.

For type of accidents and occupational health issues leading to absence ≥8hrs per work processes, please see table 10.

EMPLOYEE SURVEY REVEALS POSITIVE FEEDBACK ON SAFETY. The result of the 'people engagement survey' carried out among all employees in 2010 revealed very positive feedback on the questions related to safety. On the question of whether 'my line manager always promotes safety first', less than 4% of the respondents working at customers' sites or in laboratories answered in the negative. To the question of whether 'I have been provided with sufficient safety training and personal protective equipment for my job', less than 1% of the respondents working in Laboratories and 4% of the respondents working at customers' sites answered in the negative.

TRAVEL SAFETY. Visits to customer sites and offices are an important part of the execution of DNV's services and sometimes require travel to challenging destinations. Principles for restricting business travels to extreme and high risk areas have been improved. A pilot project involving a new supplier of training courses for employees travelling to areas with medium and high

safety risks has been arranged from Høvik. The course participants, who are located in a range of countries, took part via DNV's video conferencing facilities.

The plan is to run this kind of course twice a year, starting in 2011. As driving is seen as one of the significant risks faced by our employees, defensive driver training is being implemented in larger organisational units.

GLOBAL SAFETY AWARENESS: 'DNV LIFE SAVERS'. DNV initiated a global safety awareness programme in late 2010. Based on DNV's safety and health risk assessment and an in-depth analysis of incident and hazard reports across the company over the past several years, 12 of the highest risk areas in the company were identified. Icons representing these 12 high-risk areas were then developed – and named the 'DNV Life Savers'. The 'DNV Life Savers' are meant to remind our employees of our main risks and to promote safe working behaviour. They are also meant to support the regions in their job of prioritising local safety improvement programmes.

HEALTH AND SAFETY TRAINING. The basic health and safety e-learning course module for all employees was made mandatory during 2010, following its development in 2009. The two-and-a-half day safety induction course for newly employed surveyors was also established as a refresher course for experienced surveyors in 2010.

TABLE 09 HEALTH AND SAFETY INCIDENTS STATISTICS (FOR ALL OF DNV)

	2006	2007	2008	2009	2010
Fatal accidents	0	1	1	0	0
Lost time accidents	32	41	34	43	39
Injury accidents	61	66	85	82	108
Occupational health issues, with absence	10	14	13	15	13
Near accidents	107	93	137	175	202
LTA	2.8	3.1	2.1	2.5	2.5
SAI	24.3	50.8	23.0	26.1	28.8
IAF	5.3	4.9	5.2	4.8	6.8
Accident absence rate (%)	0.02	0.04	0.02	0.02	0.02
Total Sickness Absence Rate (%)	2.0	2.0	1.9	2.1	2.2

Definition of terms used in the statistics:

Lost time accident: Accident resulting in injury to people and work absence ≥ 8 hrs	SAI (Severity Accident Index): Number of days absence due to Lost Time Accidents / million worked hours
Injury accident: Accident resulting in injury to people and work absence < 8 hrs	IAF (Injury Accident Frequency): Number of Injury Accidents / million worked hours
Occupational health issue: Work environment conditions (including psychosocial work environment and musculo-skeletal load) where exposure over a period of time results in illness to people, or a work activity resulting in illness to people.	Accident absence rate (%): (Accident absence / number of worked hours) x 100
LTA (Lost Time Accident Frequency): Number of Lost Time Accidents / million worked hours	Total Sickness Absence Rate (%): Average last 12 months ((Accident+Sickness absence) / Number of worked hours) x 100

This course is tailor-made for DNV and consists of a half a day of theoretical introduction followed by two days of practical training. The practical safety training takes place at specialized external training centres in Korea, Norway, the Netherlands and three locations in China. We are also evaluating similar arrangements in the Middle East and India. During 2010, there was a focus on further implementation of the high-risk training modules for our surveyors. Modules have been developed for confined spaces, working at heights, transfer at sea and other high-risk operations. A new module for laboratory safety was developed in 2010 for implementation during 2011. A three-day SHE course for internal SHE specialists was developed and launched in 2010 for implementation in all regions during 2011/2012.

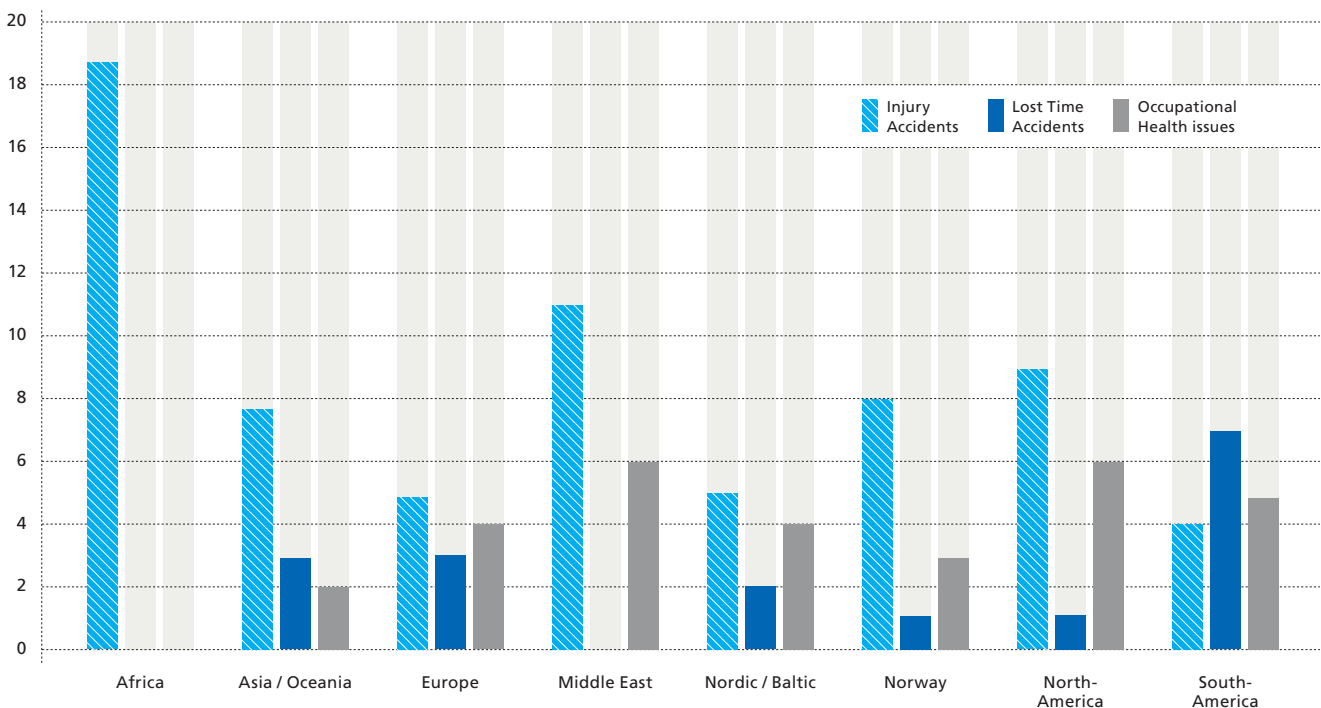
SAFETY PROGRAMMES IN CHINA. Even considering the recent economic downturn, the Chinese shipbuilding industry has experienced aggressive growth in recent years. In 2010, the DNV Maritime regional

management team in Greater China continued its programme of visiting and evaluating safety conditions at all shipyards in China where DNV has operations. The initial programme, which started in 2007, aimed to increase the focus on safety at production sites. During the programme's first phase, tours were held at most sites to assess local conditions and discuss daily challenges with surveyors. A second phase focused on implementing a four-point improvement programme including: (1) supplying standard Personal Protective Equipment (PPE) to all DNV operations, (2) providing training in 'confined spaces' and 'working at heights' for all surveyors in China, (3) establishing positive cooperation with yard management on safety and health matters, and (4) improving incident and hazard reporting with a focus on corrective action implementation. In addition, in 2010, a major focus has been to run joint safety tours with yard personnel using a Health and Safety observation card. These tours place an emphasis not only on potential risks, but also on existing practices that effectively support safety.

During 2009, we saw a drop in the number of lost time accidents at the same time as the number of reported incidents and hazards increased. The positive trend appears to have continued in 2010, with a further reduction in LTA's of 40%. Employee awareness of the benefits of incident reporting has greatly improved and has resulted in a near doubling in the number of reports. 73% of the reports are hazard and near accident cases.

KOREA SAFETY PROGRAMMES. DNV continued to be part of the successful Behaviour Based Safety (BBS) programmes that have led to progress on almost all safety measures in a number of shipyards in Korea. The basic objective of BBS is to involve all employees actively in the work to improve safety performance. The yards also work closely with all parties, such as customers, suppliers, sub-suppliers and contractors, to involve them in their safety focus. Through participation in these programmes DNV both learns from and contributes to progress on safety in the yards.

FIGURE 08 NUMBER OF INCIDENTS PER REGION / MILLION HOURS WORKED



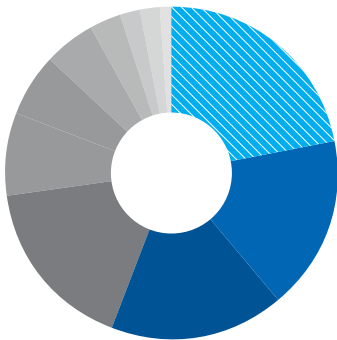
DNV DUBAI TANK SURVEY SIMULATOR.

In 2010, DNV in Dubai began using a Survey Simulator as a powerful tool for conducting safety training for its surveyors. The survey simulator recreates a realistic picture of the situation on board a VLCC cargo tanker in various situations. This includes entering and working inside a dry tank, as well as tank rafting. The simulator has been used in team training to promote active discussions of risks and mitigating factors as surveyors move across the vessel to the survey site and inside the tanks. The simulator has already proven effective in promoting knowledge sharing and experience transfer of accident cases. These include incidents such as falling through an unprotected opening or an open hatch, the danger of climbing ladders and also oxygen deficiency. The virtual rafting survey brings out all the risks associated with rafting. The Dubai approach provides a good foundation for a new generation of safety training. DNV is investigating how this approach can be integrated into its global safety training programme.

TABLE 10 TYPE OF ACCIDENTS AND OCCUPATIONAL HEALTH ISSUES WITH ABSENCE ≥ 8 HOURS PER WORK PROCESSES

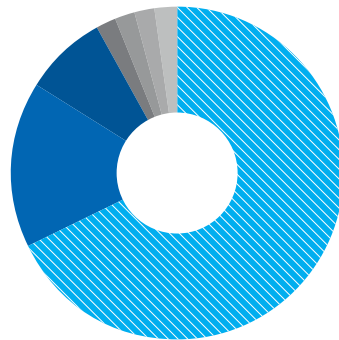
Type of accidents	Inspections	Lab work	Office work	Other	Teambuilding	Transfers	Transport/travelling	Walking	Working at height	Grand total
Caught up in (e.g. machinery/equipment)	1		1							2
Fire / explosion	1									1
Heat	1									1
Hit against / struck by	1		2				11	2	1	17
Inadequate air quality			3							3
Other	1			1		2				4
Overstrain / exertion / repetitive strain	1	1	3							5
Slips / trips / falls	4		3		1	3	1	5	1	18
Squeezed / trapped / nipped								1		1
Grand total	10	1	12	1	1	5	12	8	2	52

FIGURE 09 ACCIDENTS DISTRIBUTED BY WORK PROCESSES



Inspections	22%
Transport / travelling	17%
Office work	17%
Walking	17%
Lab work	8%
Transfers	6%
Working at heights	5%
Confined spaces	3%
Meetings / conferences	2%
Teambuilding	2%
Pressure testing	1%

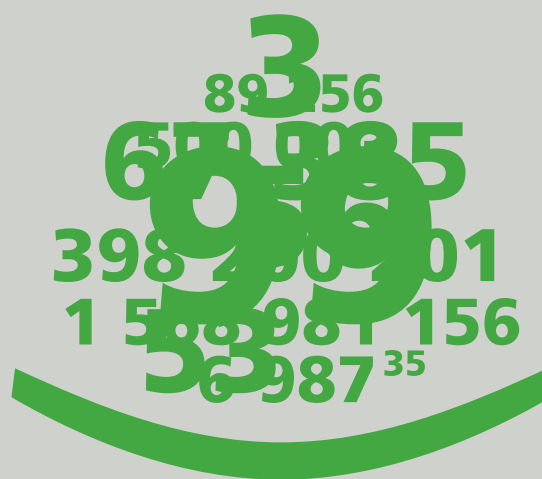
FIGURE 10 OCCUPATIONAL HEALTH ISSUES DISTRIBUTED BY WORK PROCESSES



Office work	68%
Inspections	16%
Lab work	8%
Catering (food / refreshments)	2%
Confined spaces	2%
Walking	2%
Other	2%

TURBINE BLADE INSPECTION SUIT.

A special suit designed to deal with the challenging wind turbine blade inspection environment was developed in 2010 on the initiative of the country SHE representative in Denmark. Work space inside the wind turbine is cramped with difficult working conditions including rough fiberglass surfaces. A standard boiler suit does not prevent fiberglass dust from penetrating through the fabric and onto an inspector's skin. In addition, inspections often require crawling in awkward positions. The solution, developed in Denmark, is a boiler suit produced with a Polyester/ Cotton 65/35 ratio that resists glass dust and protrusions. Additional wear-resistant patches were added, with overlaps that protect stitches from being cut, as well as special pockets that hold cell phones, pencils, rulers, and notebooks. Special knee pads with Velcro straps that allow them to be released when not crawling were also added. In initial tests the suit has proven to meet the demanding conditions of turbine blade inspection, and information on this innovation is being made available across DNV.



Financial statements

As a private, self-owned foundation, DNV has no shareholders. The group's financial accounts show DNV's consolidated income statement, balance sheet, statement of cash flow and notes. The consolidated financial statements (Det Norske Veritas Group) include the foundation (Stiftelsen Det Norske Veritas) and all subsidiaries in which Stiftelsen Det Norske Veritas directly or indirectly has actual control.

- KEY FIGURES** >>
- INCOME STATEMENT** >>
- BALANCE SHEET** >>
- CASH FLOW STATEMENT** >>
- NOTES** >>
- AUDITOR'S REPORT** >>

Key figures

AMOUNTS IN NOK MILLION

	2010	2009	2008	2007	2006
INCOME STATEMENT					
Operating revenue	9 792	10 283	9 560	8 126	7 297
Depreciation	200	235	189	166	140
Operating profit	810	1 108	1 188	873	794
Net financial income (expenses)	101	129	(82)	(1)	31
Profit before tax	911	1 237	1 106	872	826
Profit for the year	613	854	642	536	546
BALANCE SHEET					
Fixed assets	2 334	2 300	2 467	2 120	2 027
Current assets	6 529	5 903	6 015	4 803	4 362
Total assets	8 863	8 203	8 482	6 922	6 389
Equity	6 261	5 528	4 545	4 492	3 895
Provisions and long-term liabilities	338	523	919	409	536
Current liabilities	2 264	2 152	3 018	2 021	1 958
Cash flow items, working capital and investments:					
Purchase of tangible fixed assets	169	349	234	176	112
Working capital	4 265	3 751	2 997	2 781	2 403
Cash flow	809	1 186	803	749	710
Number of employees	8 440	8 866	8 694	7 691	6 765
FINANCIAL RATIOS					
Profitability:					
Operating margin	8.3%	10.8%	12.4%	10.7%	10.9%
Pre tax profit margin	9.3%	12.0%	11.6%	10.7%	11.3%
Net profit margin	6.3%	8.3%	6.7%	6.6%	7.5%
Return on total assets	11.1%	15.9%	16.2%	14.4%	15.3%
Return on equity	15.5%	24.6%	24.5%	20.8%	23.1%
Liquidity:					
Current ratio	2.9	2.7	2.0	2.4	2.2
Liquidity reserves	3 320	2 867	2 118	2 206	2 031
Liquidity cover	37.8%	32.1%	25.9%	31.1%	31.9%
Leverage:					
Equity ratio	70.6%	67.4%	53.6%	64.9%	61.0%

Definition of ratios

Profitability

Operating margin:
 $\text{Operating profit} \times 100 / \text{Operating revenue}$

Pre-tax profit margin:
 $\text{Profit before tax} \times 100 / \text{Operating revenue}$

Net profit margin:
 $\text{Profit for the year} \times 100 / \text{Operating revenue}$

Return on total assets:
 $(\text{Operating profit} + \text{Financial income}) \times 100 / \text{Average total assets}$

Return on equity:
 $\text{Profit before tax} \times 100 / \text{Average equity}$

Liquidity

Cash flow:
 $\text{Profit before tax} + \text{Depreciation} - \text{Taxes payable}$

Current ratio:
 $\text{Current assets} / \text{Current liabilities}$

Liquidity reserves:
 $\text{Cash and bank deposits} + \text{Short-term financial investments}$

Liquidity cover:
 $\text{Liquidity reserves} \times 100 / (\text{Total operating expenses} - \text{Depreciation})$

Leverage

Equity ratio:
 $\text{Equity} \times 100 / \text{Total assets}$

Income statement

STIFTELSEN DET NORSKE VERITAS			1 JANUARY - 31 DECEMBER AMOUNTS IN NOK MILLION		DET NORSKE VERITAS GROUP			
2010	2009	2008		NOTE	2010	2009	2008	
			OPERATING REVENUE					
0.0	1.2	0.0	Sales revenue		9 791.7	10 283.1	9 560.3	
0.0	1.2	0.0	Total operating revenue	3	9 791.7	10 283.1	9 560.3	
			OPERATING EXPENSES					
0.0	0.0	0.0	Payroll expenses	4,6,7	5 613.7	5 632.1	4 986.6	
0.0	0.0	0.0	Depreciation	13,14,15	199.7	214.8	176.3	
0.0	0.0	0.0	Write down of goodwill	13	0.0	19.9	12.2	
0.0	0.0	0.0	Other operating expenses	5	3 167.9	3 308.1	3 196.8	
0.0	1.2	0.0	Operating profit		810.4	1 108.2	1 188.2	
			FINANCIAL INCOME AND EXPENSES					
82.2	128.7	(76.2)	Financial income		135.7	215.7	61.0	
(0.1)	(0.8)	0.5	Financial expenses		(35.0)	(86.5)	(142.9)	
82.1	127.9	(75.7)	Net financial income (expenses)	9	100.7	129.2	(81.9)	
82.1	129.1	(75.7)	Profit (loss) before tax		911.1	1 237.4	1 106.3	
(21.4)	(24.3)	(27.2)	Tax expense	11	(298.3)	(383.2)	(464.7)	
60.7	104.8	(102.9)	Profit (loss) for the year		612.8	854.2	641.6	
60.7	104.8	(102.9)	Transferred to other equity					

Balance sheet

STIFTELSEN DET NORSKE VERITAS			AS PER 31 DECEMBER AMOUNTS IN NOK MILLION		DET NORSKE VERITAS GROUP		
2010	2009	2008		NOTE	2010	2009	2008
			ASSETS				
			FIXED ASSETS				
			Intangible fixed assets				
0.0	0.0	0.0	Deferred tax assets	11	233.3	283.1	486.8
0.0	0.0	0.0	Goodwill	13	114.4	120.0	215.4
0.0	0.0	0.0	Other intangible assets	14	12.9	18.9	29.7
0.0	0.0	0.0	Total intangible fixed assets		360.6	422.0	731.9
			Tangible fixed assets				
6.4	6.4	6.4	Land, buildings and other property		1 123.2	1 118.4	942.3
0.0	0.0	0.0	Office equipment, fixtures and fittings		344.9	357.1	378.9
6.4	6.4	6.4	Total tangible fixed assets	15	1 468.2	1 475.5	1 321.2
			Financial fixed assets				
10.1	10.1	240.0	Investments in subsidiaries	2	0.0	0.0	0.0
0.0	0.0	0.0	Investments in associates		0.0	0.0	59.9
0.3	0.3	0.3	Long-term shareholdings	16	22.6	25.5	22.6
0.0	0.0	0.0	Prepaid pension	7	126.1	0.0	0.0
0.3	0.3	0.3	Other long-term receivables	18	356.4	376.9	331.4
10.7	10.8	240.6	Total financial fixed assets		505.2	402.4	413.9
17.1	17.2	247.0	Total fixed assets		2 333.9	2 299.9	2 467.0
			CURRENT ASSETS				
			Debtors				
0.0	0.0	0.0	Trade debtors		2 060.1	2 004.5	2 567.6
0.0	0.0	0.0	Work in progress		771.6	716.6	1 011.5
0.0	0.0	0.0	Other debtors		377.5	314.4	317.2
0.0	0.0	0.0	Total debtors		3 209.3	3 035.5	3 896.2
782.6	712.2	834.2	Short-term financial investments	8	782.6	712.2	1 134.4
444.4	458.7	21.2	Cash and bank deposits	19	2 536.9	2 155.0	984.0
1 227.0	1 170.9	855.4	Total current assets		6 528.8	5 902.7	6 014.6
1 244.1	1 188.1	1 102.4	TOTAL ASSETS		8 862.7	8 202.6	8 481.6

2010	2009	2008		NOTE	2010	2009	2008
EQUITY AND LIABILITIES							
EQUITY							
Paid-in capital							
283.5	283.5	283.5	Foundation capital		283.5	283.5	283.5
Retained earnings							
937.7	877.0	772.1	Other equity		5 977.2	5 244.3	4 261.7
1 221.2	1 160.5	1 055.6	Total equity	21	6 260.7	5 527.8	4 545.2
LIABILITIES							
Provisions							
0.0	0.0	0.0	Pension liabilities	7	141.7	367.2	722.8
0.2	0.3	0.0	Deferred tax	11	17.1	11.6	15.7
0.0	0.0	17.0	Other provisions		179.6	144.5	180.2
0.2	0.3	17.0	Total provisions		338.4	523.3	918.7
Current liabilities							
0.0	0.0	0.0	Overdrafts		0.0	0.2	0.0
0.0	0.0	0.0	Trade creditors		238.5	259.7	257.9
22.7	27.3	26.7	Tax payable		271.7	244.0	429.4
0.0	0.0	0.0	Public duties payable		277.5	259.3	313.7
0.0	0.0	3.2	Other short-term liabilities	17	1 476.0	1 388.3	2 016.8
22.7	27.3	29.8	Total current liabilities		2 263.6	2 151.5	3 017.7
22.9	27.6	46.8	Total liabilities		2 602.0	2 674.8	3 936.4
1 244.1	1 188.1	1 102.4	TOTAL EQUITY AND LIABILITIES		8 862.7	8 202.6	8 481.6

The Board of Directors of Stiftelsen Det Norske Veritas,
Høvik, 5 April 2011

Atle Bergshaven
Chairman

Leif-Arne Langøy

C. Thomas Rehder

Silje Gjøtheim

Hilde M. Tonne

Frances Morris-Jones

Christine Maidment

Odd Sund

John H. Wiik

Henrik O. Madsen
CEO

Cash flow statement

STIFTELSEN
DET NORSKE VERITAS

1 JANUARY - 31 DECEMBER
AMOUNTS IN NOK MILLION

DET NORSKE VERITAS
GROUP

2010	2009	2008		2010	2009	2008
			CASH FLOW FROM OPERATIONS			
82.1	129.1	(75.7)	Profit before tax	911.1	1 237.4	1 106.3
0.0	(1.2)	0.0	Gain/loss on disposal of tangible fixed assets	(5.2)	(0.9)	(1.3)
0.0	0.0	0.0	Gain on sale of investment in associates	0.0	(40.0)	0.0
0.0	0.0	0.0	Depreciations and writedown	199.7	234.7	188.6
(21.5)	(24.0)	(26.7)	Tax payable	(302.0)	(321.3)	(492.2)
0.0	0.0	0.0	Change in work in progress, trade debtors and trade creditors	(124.2)	862.4	(1 163.8)
(4.5)	(19.6)	16.5	Change in other accruals	(46.6)	(1 036.1)	800.0
56.1	84.3	(85.9)	Net cash flow from operations	632.8	936.2	437.6
			CASH FLOW FROM INVESTMENTS			
0.0	0.0	0.0	Acquisitions	(39.3)	(19.0)	(228.4)
0.0	0.0	0.0	Divestments	0.0	106.5	0.0
0.0	0.0	0.0	Investments in tangible fixed assets	(168.6)	(349.2)	(234.1)
0.0	1.2	0.0	Sale of tangible fixed assets (sales value)	25.0	13.0	16.3
0.0	0.0	0.0	Currency effects on tangible and intangible fixed assets	(0.3)	70.8	(50.2)
0.0	230.0	1.2	Change in other investments	2.9	(9.6)	(23.5)
0.0	231.2	1.2	Net cash flow from investments	(180.3)	(187.5)	(519.9)
			CASH FLOW FROM CAPITAL TRANSACTIONS			
0.0	0.0	0.0	Change in overdrafts	(0.2)	0.2	(5.6)
0.0	0.0	0.0	Net cash flow from capital transactions	(0.2)	0.2	(5.6)
			LIQUIDITY			
56.1	84.3	(85.9)	Net cash flow from operations	632.8	936.2	437.6
0.0	231.2	1.2	Net cash flow from investments	(180.3)	(187.5)	(519.9)
0.0	0.0	0.0	Net cash flow from capital transactions	(0.2)	0.2	(5.6)
56.1	315.5	(84.7)	Net change in liquidity during the year	452.3	748.9	(87.9)
1 170.9	855.4	940.1	Liquidity at 1 January	2 867,2	2 118.3	2 206.2
1 227.0	1 170.9	855.4	Liquidity at 31 December	3 319.5	2 867.2	2 118.3

Notes

ALL AMOUNTS IN NOK MILLION

01

ACCOUNTING PRINCIPLES

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

CONSOLIDATION PRINCIPLES. The consolidated statements include Stiftelsen Det Norske Veritas and all companies in which Stiftelsen Det Norske Veritas directly or indirectly has actual control. The group accounts show Det Norske Veritas's consolidated income statement, balance sheet and statement of cash flow as a single economic entity. Subsidiaries follow the same accounting principles as the parent company. Intercompany transactions have been eliminated in the consolidated accounts.

Acquired subsidiaries are reported in the financial statements on the basis of the parent company's acquisition cost. The cost of the shares in the parent company's books is eliminated against the equity in the subsidiary at the date of acquisition. The acquisition cost is allocated by attributing fair values to the identifiable assets and liabilities acquired. Surplus value in excess of the fair value of identifiable net assets is reported in the balance sheet as goodwill. Goodwill is amortised linearly through the income statement over its expected useful economic life.

The allocation of costs in a business combination is changed if new information on the fair value becomes available and is applicable on the date when control is assumed. The allocation may be altered until the annual accounts are presented or prior to the expiry of a 12-month period.

TRANSLATION OF FOREIGN SUBSIDIARIES. When translating the financial statements of the foreign subsidiaries to Norwegian currency, the items in the income statement are translated at the average exchange rate for the financial year. Assets and liabilities in foreign operations, including goodwill and fair value adjustments, are translated into NOK using the exchange rate applicable on the balance sheet date. Exchange-rate differences are recognised in equity.

Forward exchange contracts related to hedging of net investments in foreign subsidiaries are treated as hedging instruments where the exchange rate differences of the hedging instrument are recognised in the equity.

CASH FLOW HEDGES. The effective portion of the gain or loss on the hedging instrument established for hedging cash flows is not accounted for. Gains or losses on the hedging instrument are recorded as financial income or expenses at realisation. Any ineffective portion is recognised in the income statement.

SUBSIDIARIES/ ASSOCIATES. Investments in subsidiaries are valued at the cost method in the parent company accounts. The investment is valued as the cost of acquiring shares in the subsidiary, provided write down is not required. Write down to fair value is carried out when the reduction in value

is caused by circumstances which may not be regarded as incidental and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down is no longer present.

An associate is an entity in which the Group has a significant influence but does not control the management of its finances and operations (normally when the Group owns 20%-50% of the company). Investments in associates are valued in accordance with the equity method. The share of profits is based on profits after tax in the associate, less internal gains and possible amortisation of surplus value caused by the cost of shares being higher than the acquired share of equity. In the income statement, the share of profit is stated as financial income/ financial expenses.

When the Group's share of a loss exceeds the Group's investment in an associate, the amount carried in the Group's balance sheet is reduced to zero and further losses are not recognised unless the Group has an obligation to cover any such loss.

In the parent accounts, dividends, group contributions and other distributions are recognised in the same year as they are recognised in the subsidiary's financial statement. If dividends / group contributions exceed withheld profits after acquisition, the excess amount represents repayment of invested capital and the distribution will be deducted from the recorded value of the acquisition in the parent company's balance sheet.

USE OF ESTIMATES. The management has used estimates and assumptions that have affected assets, liabilities, income, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway. Future events may lead to a change in the estimates. Estimated and underlying assumptions are assessed on a continuous basis. Changes in accounting estimates are included in the period when the change occurs.

REVENUE RECOGNITION AND WORK IN PROGRESS.

Revenue from the sale of services is recognised according to the percentage of completion method. Work in progress is recognised at its estimated sales value. Movement in work in progress is included in operating revenue.

Revenue from the sale of services is recognised in the income statement according to the project's level of completion provided the outcome of the transaction can be estimated reliably. Progress is measured as the number of hours spent compared to the total number of hours estimated. When the outcome of the transaction cannot be estimated reliably, only revenue equal to the project costs that have been incurred will be recognised as revenue. The total estimated loss on a contract will be recognised in the income statement during the period when it is identified that a project will generate a loss.

CLASSIFICATION AND VALUATION OF ASSETS AND LIABILITIES. Assets meant for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables to be paid within one year are always classified as current assets. Short- and long-term liabilities are classified correspondingly.

Current assets are valued at the lower of cost and net realisable value. Short-term debt is recognised at its nominal value at the time of establishment.

Fixed assets are valued at cost. However, if a decline in value is not expected to be temporary, fixed assets are written down to their recoverable amount. Fixed assets with a limited useful economic life are depreciated in accordance with a linear depreciation plan. Long-term debt is recognised at its nominal value at the time of establishment. Direct transaction costs are capitalised over the loan period.

DEBTORS. Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables, a general provision is made to cover expected losses.

FOREIGN CURRENCY. Monetary items denominated in a foreign currency are translated at the exchange rate on the balance sheet date. Financial instruments, mainly forward exchange contracts and currency swaps, are used to hedge all significant items denominated in the most common foreign currencies. These hedges are included at market value as at 31 December.

Realised and unrealised currency effects are included on a net basis in either other financial income or other financial expenses.

Premiums paid for currency and interest rate options are capitalised and amortised over the life of the contract.

FINANCIAL INVESTMENTS. Short-term financial investments which are defined as part of a trading portfolio are valued at their market value on the balance sheet date. Dividends and other distributions are recognised as financial income.

Long-term shareholdings where DNV does not exercise any significant influence are recognised at cost. Each investment is written down to its net realisable value if this is lower than cost.

PROPERTY, PLANT AND EQUIPMENT. Property, plant and equipment are capitalised and depreciated over their estimated useful economic life. Maintenance costs are expensed as incurred, whereas improvement and upgrading costs are assigned to the acquisition cost and depreciated along with the asset. If the carrying value of a non-current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value.

INTANGIBLE ASSETS. Intangible assets that have been acquired separately are carried at cost. The costs of intangible assets acquired through an acquisition are recognised at their fair value in the Group's opening balance sheet. Capitalised intangible assets are recognised at cost less any amortisation and impairment losses.

Internally generated intangible assets are not capitalised but are expensed as occurred.

The economic life is either definite or indefinite. Intangible assets with a definite economic life are amortised over their economic life and tested for impairment if there are any indications of this. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate.

Intangible assets with an indefinite economic life are tested for impairment at least once a year, either individually or as a part of a cash-generating unit.

GOODWILL. The difference between the cost of an acquisition of business and the fair value of net identifiable assets on the acquisition date is recognised as goodwill. For investment in associates, goodwill is included in the investment's carrying amount.

Goodwill is recognised at cost in the balance sheet, minus any accumulated amortisation. Goodwill is amortised linearly through the income statement over its expected useful economic life, normally considered to be a period of 5 years.

RESEARCH AND DEVELOPMENT. Research and development costs are expensed when incurred. Cost incurred related to development projects entering into a commercial product or service phase are capitalised.

PENSIONS. Pension costs and pension liabilities for the defined benefit plans are estimated on the basis of linear earnings and assumptions of the: discount rate, projected annual salary adjustments, pension and other payments from the national insurance fund, expected annual return on plan assets and actuarial assumptions of deaths, voluntary resignations, etc. Plan assets are valued at fair value and deducted from net pension liabilities in the balance sheet. Actuarial gains and losses are recognised directly in the equity.

TAX. The tax expense in the income statement includes taxes payable and change in deferred taxes. Deferred taxes are calculated based on the temporary differences existing between book values and tax values, together with tax loss carry-forwards at the end of the accounting period. Tax increasing and tax reducing temporary differences expected to reverse in the same period are offset and calculated on a net basis. Deferred tax assets are recognised to the extent utilisation of these assets can be justified.

PROVISIONS. A provision is recognised when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

If Det Norske Veritas Group is involved in litigation, and a claim has been made, then provisions for these claims are made in the accounts based on a best estimate of the validity and amount of the claim.

CASH FLOW STATEMENT. The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term, highly liquid investments with maturities of three months or less.

02

SUBSIDIARIES OF STIFTELSEN DET NORSKE VERITAS

Stifelsen Det Norske Veritas owns 100% of the shares in Det Norske Veritas Holding AS.

COMPANY	BUSINESS OFFICE	SHARE CAPITAL	OWNER-SHIP	BOOK VALUE
Det Norske Veritas Holding AS	Bærum	10.1	100%	10.1

Det Norske Veritas Holding AS has three wholly owned subsidiaries, Det Norske Veritas AS (83 subsidiaries), DNV Business Assurance Group AS (29 subsidiaries) and Det Norske Veritas Eiendom AS. With the exception of some financial transactions, Det Norske Veritas operates through the subsidiaries of Det Norske Veritas Holding AS.

03

OPERATING REVENUE

GEOGRAPHICAL AREA	DET NORSKE VERITAS – GROUP		
	2010	2009	2008
Nordic countries	3 343.9	3 640.8	3 513.8
Europe and Africa	2 146.7	2 490.5	2 325.3
Asia Pacific	2 804.3	2 708.9	2 549.0
North and South America	1 496.8	1 442.9	1 172.1
Total operating revenue	9 791.7	10 283.1	9 560.3

04

PAYROLL EXPENSES

STIFTELSEN DET NORSKE VERITAS			DET NORSKE VERITAS – GROUP		
2010	2009	2008	2010	2009	2008
0.0	0.0	0.0	4 310.2	4 289.9	3 858.3
0.0	0.0	0.0	572.7	586.7	550.1
0.0	0.0	0.0	398.8	412.9	279.7
0.0	0.0	0.0	332.0	342.6	298.5
0.0	0.0	0.0	5 613.7	5 632.1	4 986.6
0.0	0.0	0.0	8 303	8 737	8 557
0.0	0.0	0.0	90.0	0.0	86.7

05

OTHER OPERATING EXPENSES

STIFTELSEN DET NORSKE VERITAS				DET NORSKE VERITAS – GROUP		
2010	2009	2008		2010	2009	2008
0.0	0.0	0.0	Travel expenses	637.9	668.7	730.6
0.0	0.0	0.0	Hired assistance	458.8	539.3	547.6
0.0	0.0	0.0	ICT and communication expenses	356.4	371.9	306.8
0.0	0.0	0.0	Loss on claims	65.9	60.9	48.6
0.0	0.0	0.0	Other expenses	1 648.9	1 667.3	1 563.1
0.0	0.0	0.0	Total other operating expenses	3 167.9	3 308.1	3 196.8

06

REMUNERATIONS AND LOANS TO CEO, EXECUTIVE COMMITTEE, BOARD OF DIRECTORS ETC.

Chief Executive Officer Henrik O. Madsen has a pensionable annual base salary of NOK 2 695 000 and a functional allowance including free housing of NOK 1 405 000.

Mr. Madsen has a right to retire at 62 years with a yearly pension equal to 66% of his pensionable annual base salary at the date of retirement.

REMUNERATIONS AND LOANS TO THE EXECUTIVE COMMITTEE IN 2010

REMUNERATIONS:

NAME	SALARY & FUNCTIONAL ALLOWANCE	OTHER BENEFITS	PENSION BENEFIT EARNED / COST TO DNV
Henrik O. Madsen	4 303 448	326 771	1 689 998
Tor E. Svensen	3 030 943	169 968	941 659
Remi Eriksen ¹	2 080 498	1 331 837	365 860
Bjørn K. Haugland	1 687 139	154 660	316 353
Jostein Furnes	2 164 143	184 652	543 747
Cecilie B. Heuch	1 731 366	157 896	56 405
Ioannis Kourmatzis ¹	2 756 960	594 912	386 435
Elisabeth Tørstad ¹	1 753 012	633 959	233 669
Knut Ørbeck-Nilssen	1 335 318	145 431	201 378
Olav Nortun	1 699 427	131 099	406 879

LOANS AT 31 DEC. 2010:

NAME	LOAN AMOUNT	INTEREST RATE	REPAYMENT PERIOD	SECURITY
Henrik O. Madsen	2 778 522	1.4 %	Nov. 2018	Mortgage
Tor E. Svensen	562 600	1.4 %	Mar. 2028	Mortgage
Remi Eriksen*	0			
Bjørn K. Haugland	2 419 200	1.4 %	Dec. 2034	Mortgage
Jostein Furnes	2 305 298	1.4 %	July 2031	Mortgage
Cecilie B. Heuch	0			
Ioannis Kourmatzis ¹	0			
Elisabeth Tørstad ¹	0			
Knut Ørbeck-Nilssen	0			
Olav Nortun	0			

1) Expatriate assignments

REMUNERATION TO THE BOARD OF DIRECTORS PAID OUT IN 2010:

NAME	BOARD REMUNERATION	COMP. TRAVEL TIME	NAME	BOARD REMUNERATION	COMP. TRAVEL TIME
Atle Bergshaven	400 000	0	Odd Sund	200 000	0
Leif-Arne Langøy	163 333	0	Sille Grjotheim	200 000	0
Hilde Tonne	200 000	0	Christine Maidment	200 000	0
John H. Wiik	200 000	0	David McKay	100 000	0
C. Thomas Rehder	200 000	20 833	C. Maury Devine	140 000	30 000
Frances Morris-Jones	200 000	0	Yan Ma	100 000	0

REMUNERATION TO THE CONTROL COMMITTEE PAID OUT IN 2010:

NAME	REMUNERATION
Erling Øverland	105 000
Herbjørn Hansson ²	35 000
Per Terje Vold	70 000
Arne Thorsen ²	35 000

2) Arne Thorsen replaced Herbjørn Hansson from June 2010

REMUNERATION TO THE COMPENSATION COMMITTEE PAID OUT IN 2010:

NAME	REMUNERATION FOR 2008-2009	REMUNERATION FOR 2010
Atle Bergshaven	24 000	12 000
Leif-Arne Langøy	0	8 000
John H. Wiik	8 000	8 000
C. Maury Devine	16 000	0

FEES TO THE AUDITORS FOR 2010:

NAME	STATUTORY AUDIT	TAX CONSULTING SERVICES	OTHER ATTEST SERVICES	NON-AUDIT SERVICES
Stiftelsen Det Norske Veritas	300 000	0	0	0
Group auditor other Norwegian entities	2 170 000	198 120	267 000	1 762 568
Group auditor non-Norwegian entities	9 030 000	2 295 231	491 329	6 769
Other auditors	1 211 491	421 437	0	514 170
Total	12 711 491	2 914 788	758 329	2 283 507

07

PENSION COSTS, PLAN ASSETS AND DEFINED BENEFIT PENSION LIABILITIES

Det Norske Veritas has both defined benefit pension plans and defined contribution pension plans. The defined benefit pension plans are covered through separate pension funds or through arrangements with insurance companies. The future pension benefits are based on the employee's salary level at the time of retirement and on the number of years of membership. This is the basis for calculating the pension cost and the pension liabilities included in the accounts and in this note. Contributions to the Group's pension plans are made in accordance with common actuarial methods in the country where the pension plan is administered. Total pension costs for 2010 were NOK 395.3 million, of which NOK 169.7 million

are related to the defined benefit pension plans and NOK 225.6 million are related to the defined contribution pension plans.

The Norwegian companies in the Group are subject to the Norwegian Pensions Act. The companies' pension schemes fulfil the Act's requirements.

Norwegian employees are covered either by the Norwegian defined contribution pension plan (mainly employees hired after 1 January 2005), or the defined benefit pension plan organised in one Norwegian pension fund (employees hired before 1 January 2005).

The pension assets in the Norwegian pension fund are invested as follows:

MARKET VALUE OF PLAN ASSETS IN NORWAY

	31 DEC 10	31 DEC 09	31 DEC 08
Buildings and property	220.7	221.9	234.5
Mutual equity funds and hedge funds	1 827.3	1 554.8	884.0
Norwegian bonds and bond funds	431.0	226.0	326.7
Non-Norwegian bonds and bond funds	669.3	606.2	228.6
Money market, bank accounts, other assets and liabilities	1 032.7	1 124.0	1 558.4
Total market value of plan assets	4 181.0	3 732.9	3 232.2
Actual return on plan assets	358.8	510.0	(337.3)

	FUNDED NORWEGIAN DEFINED BENEFIT PENSION PLANS			OTHER DEFINED BENEFIT PENSION PLANS		
	2010	2009	2008	2010	2009	2008
Net present value of this year's pension contribution	147.9	142.6	127.8	38.4	40.7	38.9
Interest expense on pension liabilities	165.2	155.5	151.4	55.3	53.0	51.5
Expected return on plan assets	(186.6)	(161.6)	(190.4)	(58.1)	(49.6)	(49.4)
Payroll tax	17.8	19.2	12.5	0.0	0.0	0.0
Curtailement/pension plan changes	0.0	0.0	0.0	(10.2)	0.0	(0.7)
Net pension cost	144.3	155.7	101.4	25.4	44.1	40.4

PLAN ASSETS AND PENSION LIABILITIES:

Market value of plan assets	4 181.0	3 732.9	3 232.2	931.0	1 031.1	963.4
Actuarial present value of pension liabilities	(4 006.7)	(3 725.3)	(3 500.1)	(1 072.7)	(1 334.3)	(1 307.7)
Payroll tax	(48.2)	(71.6)	(110.5)	0.0	0.0	0.0
Net prepaid pension (liabilities)	126.1	(64.0)	(378.5)	(141.7)	(303.2)	(344.3)
Hereof recorded as plan assets	126.1					
Hereof recorded as pension liabilities		(64.0)	(378.5)	(141.7)	(303.2)	(344.3)

The assumptions for calculation of the pension liabilities in Norway have been changed. The consequence in 2010 is increased pension liabilities of NOK 361 million.

End of service benefit schemes in some countries outside Norway, considered to be defined benefit schemes, have been actuarially calculated in accordance with NGAAP. A positive implementation effect of NOK 6 million has been credited to the equity in 2010 (NOK 22 million in 2009). The total liability at year-end is NOK 61 million (NOK 48 million in 2009).

THE FINAL CALCULATION OF THE DEFINED BENEFIT PENSION LIABILITIES IS BASED ON THE FOLLOWING ASSUMPTIONS:

	NORWEGIAN SCHEMES			OTHER SCHEMES		
	2010	2009	2008	2010	2009	2008
Discount rate	4.0%	4.5%	4.5%	4.7%–5.4%	4.0–5.7%	4.0–6.3%
Projected annual salary adjustment	4.0%	4.0%	4.0%	2.0–4.4%	2.2–5.1%	3.0–4.3%
Projected annual increase in pension benefit	2.0%	2.0%	2.0%	0.0–3.3%	0.0–3.0%	0–2.7%
Projected annual increase in Norwegian government basis pension	3.0%	3.0%	3.0%	-	-	-
Expected annual return on plan assets	4.5%	5.0%	5.0%	3.8–6.7%	4.5–7.8%	4.5–7.8%

The ordinary retirement age in Det Norske Veritas is 67 years. Some managers and employees are entitled to retire before the age of 67.

08

SHORT-TERM FINANCIAL INVESTMENTS

STIFTELSEN DET NORSKE VERITAS				DET NORSKE VERITAS – GROUP		
PURCHASE PRICE	MARKET VALUE REGULATION	BOOK VALUE		PURCHASE PRICE	MARKET VALUE REGULATION	BOOK VALUE
182.2	0.0	182.2	Money market funds	182.2	0.0	182.2
210.6	4.8	215.4	Bond funds	210.6	4.8	215.4
303.8	81.2	385.0	Equity funds	303.8	81.2	385.0
696.6	86.0	782.6	Total short-term financial investments	696.6	86.0	782.6

09

FINANCIAL INCOME AND FINANCIAL EXPENSES

STIFTELSEN DET NORSKE VERITAS				DET NORSKE VERITAS – GROUP		
2010	2009	2008		2010	2009	2008
69.6	111.2	(85.6)	Return on financial investments	69.6	111.2	(154.5)
0.0	1.7	0.0	Dividend from subsidiaries	0.0	0.0	0.0
0.0	0.0	0.0	Profit from investment in associates	0.0	6.7	16.2
0.0	0.0	0.0	Gain from sale of associates	0.0	40.0	0.0
0.0	0.1	2.5	Net interest received from Group companies	0.0	0.0	0.0
12.5	15.2	(0.1)	Other interest received	59.1	5.4	41.7
0.0	(0.3)	0.0	Currency gains (losses)	(15.4)	(27.8)	41.7
0.0	0.0	7.5	Other financial items	(12.7)	(6.3)	(27.0)
82.1	127.9	(75.7)	Net financial income (expenses)	100.7	129.2	(81.9)

10

FINANCIAL MARKET RISK

The Group's main financial market risks are liquidity risk, foreign currency risk, credit risk and interest rate risk.

LIQUIDITY RISK. The Group monitors its liquidity risk on an ongoing basis. The liquidity planning considers the maturity of both the financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

FOREIGN CURRENCY RISK. The Group has revenues and expenses in approx. 50 currencies. Of these, six currencies (NOK, EUR, USD, CNY, KRW and GBP) make up approximately 75% of the total revenue. In many currencies DNV has a natural hedge through a balance of revenue and expenses. Major imbalances on the balance sheet are hedged through forward exchange contracts. As part of this hedging, DNV has forward exchange contracts in 21 currencies, totalling a net amount of approx. NOK 2 400 million.

The most important contracts are in USD (39%) and EUR (16%). The unrealised net loss at the year-end was NOK 36 million.

CREDIT RISK. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is limited. There are no significant concentrations of credit risk within the Group. With respect to credit risk arising from the Group's other financial assets, which comprise cash and cash equivalents, available-for-sale financial investments and certain derivative instruments, the Group's exposure to credit risk arises from the default of the counter-party, with a maximum exposure equal to the market value of these instruments.

INTEREST RATE RISK. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term financial investments and forward exchange contracts.

11

TAX

STIFTELSEN DET NORSKE VERITAS			DET NORSKE VERITAS GROUP			
2010	2009	2008		2010	2009	2008
			The tax expense consists of:			
15.0	16.2	16.3	Norwegian wealth tax	15.0	16.2	16.3
6.5	7.8	10.4	Norwegian income tax	31.7	43.6	224.4
0.0	0.0	0.0	Income tax outside Norway	255.3	225.7	251.5
21.5	24.0	26.7	Total tax payable	302.0	285.5	492.2
(0.1)	0.3	0.5	Change in deferred tax in Norway	25.7	83.0	(41.3)
0.0	0.0	0.0	Change in deferred tax outside Norway	(29.4)	14.7	13.8
(0.1)	0.3	0.5	Total change in deferred tax	(3.7)	97.7	(27.5)
21.4	24.3	27.2	Tax expense	298.3	383.2	464.7
23.0	36.1	(21.2)	Tax on profit at 28%	255.1	346.5	309.8
			Tax effect of:			
0.0	0.0	0.0	Foreign tax exempt branches	(13.4)	(18.6)	(19.3)
(1.2)	0.0	0.0	Changes to previous years' taxes	6.9	(3.9)	23.0
15.0	16.2	16.3	Wealth tax	15.0	16.2	16.3
0.0	0.0	0.0	Tax assets not recognised current year	24.7	16.7	14.0
0.0	0.0	0.0	Differences betw. tax rates in Norway and abroad	(4.4)	(26.1)	26.1
(15.4)	(28.0)	32.1	Permanent differences	14.4	52.4	94.8
21.4	24.3	27.2	Tax expense	383.2	383.2	464.7
			Effective tax rate	33%	31%	42%
			Net tax-reducing / tax-increasing temporary differences:			
0.9	1.1	0.0	Fixed assets	128.5	160.6	142.7
0.0	0.0	0.0	Current assets	(1.9)	6.2	56.4
0.0	0.0	0.0	Liabilities	(821.6)	(1 082.7)	(1 825.0)
0.0	0.0	0.0	Tax loss to be carried forward	0.0	0.0	0.0
0.9	1.1	0.0	Basis for deferred tax asset / liability	(695.0)	(915.9)	(1 625.9)
28%	28%	28%	Tax rates applied	10%-43%	10%-45%	10%-43%
0.0	0.0	0.0	Deferred tax asset	(233.3)	(283.1)	(486.8)
0.2	0.3	0.0	Deferred tax liability	17.1	11.6	15.7

12

CHANGES IN THE GROUP STRUCTURE

COMPANY	ACQUIRED	OWNERSHIP	PURCHASE CURRENCY	ACQUISITION COST LOCAL CURRENCY	EXTERNAL REVENUE INCL. IN 2010 ACCT. NOK
BE&W Engineering Inc	October 2010	100%	USD	6.7	15.2

The acquisition cost in excess of net book value of the equity has been allocated to goodwill.

13

GOODWILL

COMPANY / BUSINESS ACTIVITY	GOODWILL COST AT 1 JAN.	ACCUM. DEPR. 1 JAN.	REVAL. EFFECTS	THIS YEAR'S ADDITIONS	THIS YEAR'S DEPR.	WRITE DOWN	GOODWILL 31 DEC.
Global Energy Concepts Inc	129.3	(40.9)	1.5	0.0	(27.1)	0.0	62.8
Jardine Technology Ltd.	11.7	(3.3)	(0.2)	0.0	(2.3)	0.0	5.9
SOF Conseil SAS	16.0	(0.3)	(0.9)	0.0	(3.1)	0.0	11.8
CC Technologies Inc.	48.7	(47.5)	0.1	0.0	(1.3)	0.0	0.0
Healthcare Inc.	12.1	(5.9)	0.1	0.0	(2.5)	0.0	3.9
BE&W Engineering Inc	0.0	0.0	0.1	31.6	(1.6)	0.0	30.1
Total	217.8	(97.9)	0.7	31.6	(38.0)	0.0	114.4

Goodwill is depreciated linearly over a 5-year period, based on an evaluation of economic life.

14

OTHER INTANGIBLE ASSETS

COMPANY / INTANGIBLE ASSETS	COST AT 1 JAN.	ACCUM. DEPR. 1 JAN.	REVAL. EFFECTS	THIS YEAR'S ADDITIONS	THIS YEAR'S DEPR.	BOOK VALUE 31 DEC.
Norwegian Maritime Advisors – Technology	2.0	(1.0)	0.0	0.0	(0.4)	0.6
Tüv Healthcare Inc – Licence	7.6	(3.7)	0.1	0.0	(1.6)	2.4
Global Energy Concepts Inc – Customer relations	20.4	(6.5)	0.2	0.0	(4.3)	9.9
Total	30.0	(11.1)	0.3	0.0	(6.3)	12.9

Other intangible assets are depreciated linearly over a 5-year period, based on an evaluation of economic life.

15

FIXED ASSETS

	LAND, BUILDINGS AND OTHER PROPERTY	OFFICE EQUIP- MENT, FIXTURES AND FITTINGS
Cost at 1 January 2010	1 588.7	1 940.8
Revaluation effects	(3.6)	2.9
Additions from acquisitions in 2010	0.0	1.1
Other additions in 2010	41.8	125.7
Disposals in 2010	(1.7)	(18.1)
Accumulated depreciation at 31 December 2010	(502.0)	(1 707.5)
Book value at 31 December 2010	1 123.2	344.9
Depreciation 2010	31.7	123.8
Economic life	20-100 years	3-10 years
Depreciation plan	Linear	Linear

Det Norske Veritas Eiendom AS has a tenancy agreement with Det Norske Veritas Pension Fund for an office building in Stavanger. In 2010, the rent amounted to NOK 7.7 million. The tenancy agreement is nonterminable for 30 years starting in 1984. Det Norske Veritas Pension Fund has an option to sell the property to Det Norske Veritas for NOK 147.0 million at the end of the period (year 2014). The market values of the property as at 31 December 2010 is NOK 239.0 million

16 LONG-TERM SHAREHOLDINGS

COMPANY	OWNERSHIP	BOOK VALUE
Røisheim Eiendom AS	3.2%	0.3
Shares owned by Stiftelsen Det Norske Veritas		0.3
Shenzhen Huatongwei International Testing Co., Ltd	49.0%	7.3
Ship Manoeuvring Simulator Center AS	34.6%	1.8
Vité Inc.	24.0%	0.0
TT Holding AS	11.1%	0.0
Marintek AS	9.0%	0.0
ECA International	2.7 %	0.0
Kapnord Fond AS	6.0%	3.2
CCS-DNV Technology Institute	50.0%	5.4
Blade Test Centre AS	25.0%	4.6
Shares owned by subsidiaries		22.3
Total long-term shareholdings		22.6

17 OTHER SHORT-TERM LIABILITIES

	DET NORSKE VERITAS – GROUP		
	2010	2009	2008
Advances from customers	717.9	562.0	695.4
Accrued expenses	465.5	450.1	567.4
Accrued holiday allowances	271.6	287.9	281.5
Unrealised loss (gain) and interest related to forward contracts	(36.3)	32.0	372.6
Other short-term liabilities	57.2	56.3	99.9
Total other short-term liabilities	1 476.0	1 388.3	2 016.8

18 OTHER LONG-TERM RECEIVABLES

	DET NORSKE VERITAS – GROUP		
	2010	2009	2008
Loans to employees	68.2	70.8	70.2
Other long-term receivables	288.3	306.1	261.2
Total other long-term receivables	356.4	376.9	331.4

19 CASH AND BANK DEPOSITS

Det Norske Veritas Holding AS has a corporate bank account system with DnB NOR Bank ASA, in which most of DNV's legal entities participate. This system includes an overdraft facility of NOK 50 million.

DNV's wholly owned subsidiary in China, Det Norske Veritas China Company Ltd has a CNY 150 million credit facility with Citibank in China. The facility is guaranteed by Det Norske Veritas AS through a parent company guarantee. The facility was undrawn at year-end 2010.

Det Norske Veritas AS has a cash pool system with Handelsbanken, in which all DNV's legal entities in Sweden participate. This system includes an overdraft facility of SEK 10 million.

Balances on bank accounts participating in the corporate bank account system/cash pooling systems are considered as internal assets or liabilities vis-à-vis other DNV participants. For DNV on a consolidated basis, the net total balance of NOK 276 million with DnB NOR Bank ASA and SEK 18 million with Handelsbanken are included in Cash and Bank Deposits in the balance sheet as at 31 December.

20 GUARANTEES

STIFTELSEN DET NORSKE VERITAS			DET NORSKE VERITAS – GROUP			
2010	2009	2008		2010	2009	2008
0.0	0.0	0.0	Guarantee commitments not included in the accounts	49.1	49.9	45.2

21 EQUITY

	FOUNDATION CAPITAL	OTHER EQUITY	STIFTELSEN DNV	SUBSIDIARIES OF STIFTELSEN DNV	DNV GROUP
Equity 31 December 2009	283.5	877.0	1 160.5	4 367.3	5 527.8
Change in unrecognised net loss in defined benefit pension plans 2010				150.0	150.0
Foreign currency translation				(10.6)	(10.6)
(Gross) loss on hedge of net investments				(20.7)	(20.7)
Tax effect from hedging of net investments in foreign subsidiaries				1.3	1.3
Profit for the year		60.7	60.7	552.1	612.8
Equity 31 December 2010	283.5	937.7	1 221.2	5 039.5	6 260.7

Auditor's report

TO THE BOARD OF DIRECTORS OF STIFTELSEN DET NORSKE VERITAS

We have audited the accompanying financial statements of Stiftelsen Det Norske Veritas, comprising the financial statements for the Foundation and the Group. The financial statements for the Foundation and the Group comprise the balance sheet as at 31 December 2010, the statements of income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

THE BOARD OF DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS.

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and Chief Executive Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing.

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Foundation and the Group.

OPINION. In our opinion, the financial statements of Stiftelsen Det Norske Veritas have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Foundation and the Group as of 31 December 2010 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on other legal and regulatory requirements

OPINION ON THE BOARD OF DIRECTORS' REPORT. Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

OPINION ON REGISTRATION AND DOCUMENTATION. Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the international standard on assurance engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Chief Executive Officer have fulfilled their duty to properly record and document the Foundation accounting information as required by law and generally accepted bookkeeping practice in Norway.

OPINION ON ASSET MANAGEMENT. Based on our audit of the financial statements as described above and control procedures we have considered necessary in accordance with the international standard on assurance engagements (ISAE) 3000, it is our opinion that the Foundation has been managed in accordance with laws and the foundation's objectives and articles of association.

Oslo, 5 April 2011
ERNST & YOUNG AS

Finn Ole Edström
State Authorised Public
Accountant (Norway)

GRI content index

SCOPE AND BOUNDARY OF THE REPORT

This annual report presents DNV's financial, social and environmental performance. DNV's vision of a global impact for a safe and sustainable future is reflected throughout the report. In addition DNV has applied the GRI Sustainability Reporting Guidelines (GRI G3) in preparing this annual report.

The selection and prioritisation of reporting parameters is based on a materiality assessment conducted in 2009-2010 and a survey of key stakeholders concerning reporting preferences conducted in 2008.

The materiality assessment was performed using a risk-based approach and revealed the following six areas as being material for our business: business conduct; corruption; products and services; marketplace; working conditions; recruitment and retention. These were closely followed by labour relations and diversity. Workshops were held in five locations globally using our protocol for CR assessments, and the results were consistent across all locations.

The survey of key stakeholders in 2008 involved 11 semi-structured interviews with people chosen from 300 recipients of the annual report that year. The respondents represented customers, potential employees, current employees and NGOs in the Americas, Europe and Asia. Respondents were chosen to provide equal representation from the maritime and energy sectors as well as our certification business (Business Assurance). The results indicated that the report met the expectations of key stakeholders, and also revealed opportunities for improvement. These are reflected in our continuing efforts to increase stakeholder engagement. Furthermore, DNV is continuously working to extend the report's scope and boundary, as indicated by our commitment to reaching A+ in the GRI Application Level by 2014.

This report also takes into account our reporting commitment to the UN Global Compact and our Communication of Progress is integrated with the GRI content index.

The GRI content index shows where you can find information on the main reporting elements and indicators of the GRI and the UN Global Compact. References are also made to information that can be found on our web site: www.dnv.com. The number of indicators reported upon has increased since 2009 as a result of continuous focus on transparency in reporting. The indicators that are not reported upon are listed at the end of the index. The financial statements are the only part of this report that have been externally assured.

The financial review has been prepared pursuant to the Norwegian Accounting Act and accounting standards and principles generally accepted in Norway. Information on the accounting principles applied to subsidiaries is given in the notes to the financial statements.

Due to organisational restructuring, there have been some changes in the reporting boundary and scope, which now reflect performance indicators and reporting protocols for the new organisational structure. In addition, we entered a new strategy period lasting from 2010 to 2014, and this is reflected in our reporting of key achievements for 2010 and focus areas for the coming years.

Application Level

Following an internal assessment of this report against the criteria in the GRI Application Levels, we are confident that this report meets the requirements for Level B. This Application Level has been checked by the GRI. The annual financial statements have been audited by Ernst & Young.



STRATEGY AND PROFILE

GC9 ↓	<p>1.1 Statements from CEO and Board of Directors page 6-7 and 8-11</p> <p>1.2 Description of key impacts, risks and opportunities page 6-7, 8-10 and 67 (partial)</p> <p>2.1-2.9 Organisational profile 2.1 back cover 2.2 page 5 2.3 page 12-13 2.4 inside front cover 2.5 inside front cover 2.6 page 2 2.7 page 5 and 12 2.8 page 4, 18-33, 38-39, 52-53, 57 2.9 page 4, 9-10, 30, 33, 38-39, 62 2.10 page 33</p> <p>3.1 Reporting period 1 Jan to 31 Dec 2010</p> <p>3.2 Date of most recent previous report April 2010</p> <p>3.3 Reporting cycle annual</p> <p>3.4 Contact point for questions regarding the report or its contents inside back cover</p>	<p>3.5-3.11, 3.13 Scope and boundary of report 3.5 page 67 3.6 page 67 3.7 page 67 3.8 page 55 3.9 page 60 (partial) 3.10 Not applicable 3.11 page 67 and page 3 3.13 page 67</p> <p>3.12 Table identifying the location of the Standard Disclosures in the report this table</p> <p>4.1-4.4 Governance, Commitments and Engagement 4.1 page 10-11 dnv.com/moreondnv/profile 4.2 page 11 dnv.com/moreondnv/profile/organisation/management.asp 4.3 page 11 dnv.com/moreondnv/profile/governing_bodies/ 4.4 page 10 dnv.com/moreondnv/profile/organisation/management.asp dnv.com/moreondnv/cr/business_ethics/</p> <p>4.5-4.7, 4.9 Governance, Commitments and Engagement – procedures and processes 4.5 page 58 (partial) 4.6 page 10 4.7 dnv.com/moreondnv/profile/governing_bodies/dnvcouncil.asp 4.9 page 10</p>
----------	---	--

<p>4.8 Internally developed statements of mission or values, codes of conduct, and principles page 2 and 36 dnv.com/moreondnv/cr/business_ethics/code_business_conduct.asp</p> <p>4.10 Processes for evaluating highest governance body's own performance principles page 10 dnv.com/moreondnv/profile/governing_bodies/dnvcouncil.asp</p> <p>4.11-4.13 Principles, initiatives and associations supported by DNV 4.11 page 6-7 dnv.com/moreondnv/cr/collaboration 4.12 page 37 dnv.com/moreondnv/cr/collaboration 4.13 page 37 dnv.com/moreondnv/cr/collaboration dnv.com/moreondnv/profile/committees</p> <p>4.14-4.17 List of stakeholder groups engaged by the organisation and key topics raised 4.14 page 67 4.15 page 67 4.16 page 37 and 67 (partial) 4.17 page 39 and 67</p>

ENVIRONMENTAL PERFORMANCE INDICATORS

<p>Disclosures on management approach page 9-10, 40-43 dnv.com/moreondnv/cr/wedo dnv.com/moreondnv/cr/she</p> <p>EN3-EN4</p> <p>EN3-EN4 Energy consumption page 40-41</p> <p>EN5-EN7 Energy efficiency initiatives EN5 page 40, 42-43 (partial) EN6 page 40-43 EN7 page 40-42</p> <p>EN16 Greenhouse gas (GHG) emissions by weight page 41</p> <p>EN17 Other indirect GHG emissions by weight page 41</p> <p>EN18 Initiatives for reducing GHG emissions page 41-42</p> <p>EN20 NOx, SOx and other significant air emissions by type and weight page 41</p> <p>EN22 Total weight of waste by type and disposal method page 41-43</p> <p>EN23 Total number and volume of significant spills none</p> <p>EN24 Weight of transported, imported, exported or treated waste deemed hazardous page 43</p> <p>EN28 Significant fines and non-monetary sanctions suspension of ISO 14001 accreditation by ANAB from 20.10.2010-2.2.2011</p> <p>EN29 Workforce transportation page 41-43</p> <p>EN30 Total environment protection expenditures page 42 (partial)</p>

SOCIAL PERFORMANCE INDICATORS

	Labour practices – disclosures on management approach	
	page 9-10, 12, 38-39, 44-47	
	dnv.com/moreondnv/people	
	dnv.com/moreondnv/cr/she	
	LA1	
	Total workforce by employment type, employment contract and region	
	page 39	
GC6	LA2	
	Total number and rate of employee turnover by age group, gender and region	
	page 39	
	LA3	
	Benefits provided to full-time employees	
	page 39	
GC1	LA7	
	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	
	page 45	
GC1	LA8	
	Education, training, counseling, prevention, and risk-control programs	
	page 44 (partial)	
	LA10	
	Average hours of training per year per employee	
	page 39	
	LA11	
	Programs for skills management and lifelong learning	
	page 39 (partial)	
	LA12	
	Performance and career development reviews	
	page 39	
GC1	LA13	
GC6	Composition of governance bodies and diversity breakdown of employees	
	page 11 and 39 (partial)	
	LA14	
	Ratio of basic salary of men to women	
	page 39	

	Human rights – disclosures on management approach	
	page 9-10, 38-39	
	dnv.com/moreondnv/cr/business_ethics	
	HR4	
	Total number of incidents of discrimination	
	Page 37 (partial)	
GC1	HR5	
GC2	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	
GC3	dnv.com/moreondnv/people/employee_management_relations.asp (partial)	
	Society – disclosures on management approach	
	page 10, 36-37	
	dnv.com/moreondnv/cr/business_ethics/index.asp	
	SO2	
	Business units analyzed for risks related to corruption	
	page 36 (partial)	
GC10	SO3	
	Percentage of employees trained in organisation's anti-corruption policies and procedures	
	page 36	
GC10	SO4	
	Actions taken in response to incidents of corruption	
	page 37	
GC1	SO5	
GC10	Public policy positions and participation in public policy development and lobbying	
	page 37 (partial)	
	SO7	
	Total number of legal actions for anti-competitive behaviour and anti-trust and monopoly practices and their customers	
	none	
	SO8	
	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	
	none	

ECONOMIC PERFORMANCE INDICATORS

	Disclosures on management approach	
	page 9-10, 50-56	
	EC1	
	Direct economic value generated and distributed	
	page 50-56	
GC7	EC2	
GC9	Financial implications and other risks and opportunities for the organisation's activities due to climate change	
	page 6-7, 20-21, 26-29	
	EC3	
	Coverage of the organisation's defined benefit plan obligations	
	page 56 and 59	
GC6	EC7	
	Procedures for local hiring and proportion of senior management hired from the local community	
	page 39 (partial)	
	Product responsibility – disclosure on management approach	
	page 12-13 (partial)	
	PR9	
	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	
	none	

ENI-2, EC4-EC6, EC 8-EC9, LA4-LA6, LA9, SO1, SO6, HR1-HR3, PR1-PR8: Information not compiled for current report. HR6-HR 9, EN8-EN15, EN19, EN21, and EN25-EN27: DNV is a professional service provider. Our impact in relation to these indicators is not currently deemed significant to be monitored as part of our Management Systems.

- ● G3 disclosures
- GC = UN Global Compact reference
- Page / comment

This report is printed on paper from responsible sources.
The paper is FSC and RA certified.

The printer holds a Nordic Swan and a FSC certificate.



FEEDBACK: Please let us know your views or comments on this report by email to dnv.corporate@dnv.com or write to us at DNV, Corporate Communications, NO-1322 Høvik, Norway.



SUBSCRIPTION: You can subscribe to printed copies of the report and other DNV publications on www.dnv.com/resources/publications



Published by:
DNV Corporate Communication,
Det Norske Veritas AS
Editor: Per Busk Christiansen



Idea and design: F A S E T T
Infographics: F A S E T T



Photo: DNV/Nina E. Rangøy (portraits)
Johs. Bøe (Board of Directors)



Paper: Artic Volume (130 / 200g)
Circulation: 16,000 Print: Grøset

