

ASNORMA

COMMENTARY TO Q3 Y2001 CONSOLIDATED FINANCIAL RESULTS (unaudited)

Sales and Revenues

During the nine month period Y2001 consolidated net sales of AS Norma totaled 570.2 MEEK, of which those of the parent company were 554.0 MEEK. Consolidated sales increased by 24,5% (+112.4 MEEK) from nine month Y2000. Sales to Russian customers rose by 19% and to Western customers by 101%. Revenues of AS Norma accounted for 97%. The group's main fields of activity include production and sale of safety belts, car components and also real estate administration. Exports accounted to 98% of sales revenue, 66% of production was exported to Russian customers. The number of employees at the end of the period was 1072.

Use of Capital

Accounts receivable at the end of the Q3 Y2001 totaled 158.9 MEEK, of which 66% related to the Russian customers. During the nine month period Y2001 volume of accounts receivable has increased by 40.5 MEEK, including Autoliv receivable 38.4 MEEK. The share of accounts in arrears of total receivable was 25,5% (24% in Q3 Y2000). The provision for bad debts was decreased by 2.1 MEEK. At September 30, 2001 the reserve totaled 18.8 MEEK.

As of the Q3 Y2001, the consolidated balance sheet size was 669,4 MEEK, a growth by 101.3 MEEK, increased due to the current assets (+64.4 MEEK) and non-current assets(+36.9 MEEK).

Total liabilities amounted to 100.0 MEEK. The company has no long term liabilities.

The group's owners' equity increased by 66.2 MEEK, amounting to 569.4 MEEK (85% of balance sheet size).

Investments

AS Norma invested a total of 62.7 MEEK, to support existing production capacities and assure the efficiency its production processes. Of the total 22.3 million EEK was invested in machinery and equipment.

Profit and Earnings per Share

The company's consolidated unaudited net profit was 132.2 MEEK.

Net profit was 2.7 MEEK higher than in the nine month period 2000 (129.5 MEEK).

Earnings per share was 10,01 EEK in the nine month Y2001 (9-month Y2000 9,81 EEK)

Significant Events and Changes in Business Activities

Reconstruction works for the new premises for AS Tööriistavabrik (toolshop) were completed.

The Y2001 results of AS Norma will be released at January 24, 2002.

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AS Norma
Consolidated balance sheet as of 30.09.2001

EEK in thousands, unaudited

Assets	30.09.2001	31.12.2000	Notes
Current assets			
Cash and bank accounts	50 146	58 637	
Marketable securities	96 654	88 300	
Accounts receivable	158 913	118 389	
Allowance for doubtful receivables	-18 847	-20 905	
Other receivables and prepayments	95 642	91 117	
Inventories	83 115	65 699	
Total current assets	465 623	401 237	
Non-current assets			
Long-term financial assets	1 253	1 253	
Property, plant and equipment	201 000	163 263	1
Intangible assets	1 531	2 363	
Total non-current assets	203 784	166 879	
Total assets	669 407	568 116	
Liabilities and owners' equity			
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	100 049	64 979	
Total current liabilities	100 049	64 979	
Total liabilities	100 049	64 979	
Owners' equity			
Share capital (par value)	132 000	132 000	2
Retained earning and reserves	305 138	213 688	
Net profit	132 220	157 449	
Total owners' equity	569 358	503 137	
Total liabilities and owners' equity	669 407	568 116	

AS Norma
Parent company balance sheet as of 30.09.2001

EEK in thousands , unaudited

Assets	30.09.2001	31.12.2000
Current assets		
Cash and bank accounts	46 570	54 903
Marketable securities	96 654	88 300
Accounts receivable	185 564	126 800
Allowance for doubtful receivables	-18 074	-16 395
Other receivables and prepayments	93 877	90 155
Inventories	77 599	59 332
Total current assets	482 190	403 095
Non-current assets		
Long-term financial assets	76 399	73 430
Property, plant and equipment	107 756	97 281
Intangible assets	800	1 271
Total non-current assets	184 955	171 982
Total assets	667 145	575 077
Liabilities and shareholders' equity		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	97 787	71 940
Total current liabilities	97 787	71 940
Total liabilities	97 787	71 940
Owners' equity		
Share capital (par value)	132 000	132 000
Retained earning and reserves	305 138	213 688
Net profit	132 220	157 449
Total owners' equity	569 358	503 137
Total liabilities and owners' equity	667 145	575 077

AS Norma
Consolidated income statement Q3 Y2001

EEK in thousands, unaudited

	01.07.01- 30.09.01	01.01.01- 30.09.01	01.07.00- 30.09.00	01.01.00- 30.09.00	Notes
Net sales	207 495	570 214	161 386	457 781	3
Cost of goods sold*	146 216	392 171	106 538	287 722	
Gross profit	61 279	178 043	54 848	170 059	
Marketing expenses	6 186	17 895	5 441	15 444	
Administrative and general expenses	8 175	22 520	7 913	22 432	
Product development expenses	4 411	13 790	3 994	13 765	
Bad debt provision	-17	3 296	-3 403	-5 663	4
Other income	478	6 314	2 666	5 278	
Other expenses	898	2 230	577	3 108	
Operating profit	42 104	124 626	42 992	126 251	
Financial income	2 773	10 286	2 744	5 553	
Financial expenses	150	460	583	2 337	
Profit before taxes	44 727	134 452	45 153	129 467	
Provision for taxes	0	2 232	0	0	
Net profit	44 727	132 220	45 153	129 467	
Earnings per share in kroons	3,39	10,01	3,42	9,81	5

*Compared to the earlier presented statements in the current report several production related expenses, such as production planning and management, health and safety, personnel management and material acquisition cost, are recorded as cost of good sold instead of general and administration cost.

AS Norma
Parent company income statement Q3 Y2001

EEK in thousands , unaudited

	01.07.01- 30.09.01	01.01.01- 30.09.01	01.07.00- 30.09.00	01.01.00- 30.09.00
Net sales	202 352	554 013	134 990	383 822
Cost of goods sold*	145 892	391 251	84 585	228 460
Gross profit	56 460	162 762	50 405	155 362
Marketing expenses	6 104	17 675	5 577	15 784
Administrative and general expenses	4 676	14 480	4 025	13 433
Product development expenses	4 411	13 790	3 994	13 765
Bad debt provision	0	3 323	-3 239	-5 528
Other income	402	1 013	669	1 622
Other expenses	613	1 754	815	2 177
Operating profit	41 058	112 753	39 902	117 353
Financial income	3 669	21 963	6 913	15 877
Financial expenses	0	297	1 662	3 763
Profit before taxes	44 727	134 419	45 153	129 467
Provision for taxes	0	2 199	0	0
Net profit	44 727	132 220	45 153	129 467
Earnings per share in kroons	3,39	10,01	3,42	9,81

*Compared to the earlier presented statements in the current report several production related expenses, such as production planning and management, health and safety, personnel management and material acquisition cost, are recorded as cost of good sold instead of general and administration cost. Cost of goods sold has increased due to that by 17232 thousand EEK in 9 month 2000 and by 20656 thousand EEK in 9 month 2001.

AS Norma
Consolidated cash flows as of 30.09.2001

EEK in thousands , unaudited

	30.09.01	30.09.00
Operating activities		
Operating profit	124 626	126 251
Profit from sale of property, plant and equipment	-654	-2 743
Deprecation	1 094	0
Income from subsidiary companies	24 992	24 892
Property, plant and equipment write-off	228	68
Property, plant and equipment discount	29	7
Increase (-), decrease (+) in current assets	-69 780	25 509
Increase (+), decrease (-) in current liabilities	35 070	1 909
Interest received and other financial income	8 961	3 984
Taxes paid	-2 232	-8 959
Interest and other financial expenses paid	-14	-1 753
	122 320	169 166
Investing activities		
Property, plant and equipment sold	1 105	12 033
Property, plant and equipment acquired	-62 720	-23 087
Loans issued	-188	-96
Subsidiary companies sold	5 000	0
Associated companies sold	0	2 000
Loans repaid	562	1 012
	-56 241	-8 138
Financing activities		
Loans repaid	0	-13 336
Dividends paid	-66 000	-39 600
	-66 000	-52 936
Net cash flow	79 046	108 092
Movement in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year:	146 937	149 335
Net cash flow	79	108 092
Foreign exchange gain	-215	1 343
Cash and cash equivalents at the end of year:	146 801	186 782
<i>incl. cash and bank accounts</i>	<i>50 146</i>	<i>155 228</i>
<i>marketable securities</i>	<i>96 655</i>	<i>103 541</i>

AS Norma

Changes in owners` equity as of 30.09.2001

EEK in thousands, unaudited

	Share capital	Reserves	Profit for previous accounting periods	Profit for the financial year	Total owners` equity
31.12.1999	132 000	15 636	130 064	107 588	385 288
Net retained earnings of 1999			107 588	-107 588	0
Reserves		-2 436	2 436		0
Dividends			-39 600		-39 600
Net profit for the financial year				157 449	157 449
31.12.2000	132 000	13 200	200 488	157 449	503 137
31.12.2000	132 000	13 200	200 488	157 449	503 137
Net retained earnings of 2000			157 449	-157 449	0
Dividends			-66 000		-66 000
Net profit for the financial year				132 220	132 220
30.09.2001	132 000	13 200	291 938	132 220	569 358

Notes to the consolidated financial statements

In thousands of Estonian kroons (EEK 000'), unless otherwise stated

Accounting principles and principles of consolidation

AS Norma consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS 34 "Interim Financial Reporting") and with Estonian Accounting Law.

In Management Board opinion, the financial statements give a true and fair view of the financial position of Norma Group on September 30, 2001. Presented statements are not audited.

1. Property, plant and equipment

	Land and buildings	Machinery and Equip.	Other assets	Buildings under construction	Prepayments	Total
Acquisition cost as of 31.12.2000	56 585	251 559	2 214	171	2 961	313 490
Additions	11 082	19 038	2 195	10 434	-661	42 088
Sale and written off	0	-11 341	-249	0	0	-11 590
Reconstruction	19 241	1 037	0	0	0	20 278
Acquisition cost as of 31.09.2001	86 908	260 293	4 160	10 605	2 300	364 266
Depreciation as of 31.12.2000	-6 992	-141 960	-1 275	0	0	-150 227
Depreciation charge	-2 108	-21 611	-179	0	0	-23 898
At discount	0	-29	0	0	0	-29
Depreciation of fixed assets sold and written off	0	10 798	89	0	0	10 887
Depreciation as of 31.09.2001	-9 100	-152 802	-1 365	0	0	-163 267
Net book amount as of 31.12.2000	49 593	109 599	939	171	2 961	163 263
Net book amount as of 30.09.2001	77 808	107 491	2 795	10 605	2 300	200 999

2. Share capital

	30.09.2001	31.12.2000
Share capital par value (EEK 10 per share)	132 000	132 000

AS Norma has issued 13.2 million common shares which grant one vote per share. 66,0 million kroons was paid out in dividends for 2000 at EEK 5 per share.

AS Norma shares are listed in the main list of the Tallinn Stock Exchange and are quoted on the Frankfurt, Berlin and Munich Stock Exchanges.

AS Norma shareholders with participation over 3% as of 30.06.2001:

Autoliv Ab	51,0%
Merita Bank Ltd. Clients Account	8,2%
Skandinaviska Enskilda Banken Ab Clients	5,0%
Clearstream Baving Luxembourg S.A. Clients	4,5%
AS Hansapank	3,3%

3. Segment information by product lines	Safety belts 01.01.01- 30.09.01	Other products 01.01.01- 30.09.01	Total 01.01.01- 30.09.01	Safety belts 01.01.00- 30.09.00	Other products 01.01.00- 30.09.00	Total 01.01.00- 30.09.00
Segment's net sales	490 447	79 767	570 214	344 990	112 791	457 781
Segment's net income	102 315	22 311	124 626	119 938	6 313	126 251
Segment's assets	492 567	80 185	669 407	341 336	113 779	558 655
Segment's liabilities	86 042	14 007	100 049	32 631	10 877	83 500
Investments	62 527	193	62 720	18 729	4 616	23 345
Depreciation charge	21 493	3 499	24 992	16 958	5 653	22 611
Fixed assets' revaluation	29	0	29	0	7	7

Segments are based on the production of the company where main product group is safety belt and other products (car components, sheet metal products) have separately less than 10% of total sales. Costs are in line with the product's importance in profit. Assets are divided by the assets' relations with the main product groups. Liabilities (except bank loans) are divided proportionally by products groups. Investments are divided by the actual needs for production. Depreciation charge and revaluation are divided by the relations with the main product groups.

Segmets' information by market	Net sales 01.01.01-30.09.01	Net sales 01.01.00-30.09.00
Estonia	10 918	53 166
Latvia	0	5 855
Lithuania	804	1 051
Russia	367 941	309 393
Sweden	147 445	17 902
Austria	12 670	16 558
Germany	422	2 167
France	9 757	10 215
Netherlands	711	1 008
Finland	1 381	3 411
UK	0	4 569
USA	510	7 995
Czech Republic	3 089	4 047
Belgium	3 114	5 038
Ukraine	4 204	7 863
Denmark	3 234	3 482
Other countries	4 014	4 061
Total:	570 214	457 781

Geographic segments are divided by the location of clients and assets.

4. Bad debt provisions	The amount of receivables charged to expenses 01.01.01.- 30.09.01	The amount of receivables charged to expenses 01.01.00-30.09.00
Received from the allowance of previous years	-141	-18 161
Provisions reserve	3 283	12 109
Written-of provisions	154	389
	3 296	-5 663

5. Earnings per share	30.09.2000	30.09.2000
Net profit	132 220	129 467
Average number of shares (in thousands)	13 200	13 200
Earnings per share (EPS)	10,01	9,81

The company has no unissued common shares and therefore primary and fully diluted earnings per share are equal.

6. Related parties	01.01.01-30.09.01		01.01.00-30.09.00	
	Sale to AS Norma	Purchases from AS Norma	Sale to AS Norma	Purchases from AS Norma
Autoliv AB	138 160	147 571	7 381	5 996

Intra-company transactions are based on market prices.