

AS Norma

Interim report for
the period 01. January - 30. September and Q3 2002

Consolidated financial results nine month and Q3 Y2002
(unaudited)

Sales and Revenues

During the nine month period Y2002 consolidated net sales of AS Norma totalled 736.4 MEEK (47.1 MEUR), of which those of the parent company were 721.4 MEEK (46.1 MEUR). Consolidated sales increased by 29% (+166.2 MEEK, +10.6 MEUR) from nine month Y2001. Q3 Y2002 consolidated sales totalled 240.2 MEEK (15.3 MEUR) and increased by 16%. Sales to Russian customers rose by 1.5% and to Western customers 83%. Sales to Autoliv in nine month Y2002 reached 301.6 MEEK (19.3 MEUR). Revenues of AS Norma accounted for 98%.

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, 52% of production was exported to Russian customers (nine month Y2001 66%). The number of employees at the end of the period was 1048.

Use of Capital

Accounts receivable at the end Q3 Y2002 totalled 170.0 MEEK (10.9 MEUR), of which 45% related to the Russian customers. During the nine month period Y2002 volume of accounts receivable has increased by 16.7 MEEK (1.1 MEUR), receivables from Autoliv were 83.1 MEEK (5.3 MEUR). Norma's payables to Autoliv were 64.4 MEEK (4.1 MEUR).

The share of accounts in arrears of total receivable was 7%. The provision for bad debts remained on the same level and the reserve totalled 13.1 MEEK (0.8 MEUR).

As of the nine month Y2002, total assets amounted 810.8 MEEK (51.8 MEUR), the growth 85.7 MEEK (+5.5 MEUR), mainly due to the increase in current assets by 82.5 MEEK (+5.3 MEUR). Total liabilities amounted to 126.5 MEEK (8.1 MEUR). The company has no long term liabilities.

The group's owners' equity increased by 69.5 MEEK (+4.4 MEUR), amounting to 684.3 MEEK (43.7 MEUR) (84% of total assets).

Investments

AS Norma invested a total of 33.5 MEEK (2.1 MEUR), to support existing production capacities and assure the efficiency its production processes. 31.8 MEEK (2.0 MEUR) of which was invested in machinery and equipment.

Profit and Earnings per Share

Company's consolidated unaudited net profit in nine month period Y2002 was 148.7 MEEK (9.5 MEUR), 16.5 MEEK (12.5%) higher than at comparable period of Y2001.

Net profit Q3 Y2002 was 60.2 MEEK (3.8 MEUR) and increase 34.5%. Gain from the sale of property (Laki 14A) was 17.0 MEEK (1.1 MEUR) Earnings per share reached 11.27 EEK (0.72 EUR) in nine month Y2002 compared to 10.01 EEK (0.64 EUR) at the same period in Y2001.

Significant Events and Changes in Business Activities Q3 Y2002

Real estate holding (Tallinn, Laki 14A) not linked to principal line of business was sold.

AS Norma and its 100% owned subsidiary AS Norma Maja entered into a merger agreement.

The Q4 Y2002 results of AS Norma will be released at January 22, 2003.

Consolidated balance sheet as of 30.09.02
unaudited

	EEK in thousands		EUR in thousands		Note
	30.09.02	31.12.01	30.09.02	31.12.01	
Assets					
Current assets					
Cash and bank accounts	88 645	59 449	5 665	3 799	
Marketable securities	114 305	123 452	7 305	7 890	
Accounts receivable	170 031	153 291	10 867	9 797	
Allowance for doubtful receivables	-13 063	-13 136	-835	-840	
Other receivables and prepayments	128 654	99 985	8 222	6 390	
Inventories	100 094	83 132	6 397	5 313	
Total current assets	588 666	506 173	37 623	32 350	
Non-current assets					
Long-term financial assets	9 619	1 060	615	68	
Property, plant and equipment	211 026	216 042	13 487	13 808	1
Intangible assets	1 522	1 886	97	121	
Total non-current assets	222 167	218 988	14 199	13 996	
Total assets	810 833	725 161	51 822	46 346	
Liabilities and shareholders' equity					
Liabilities					
Current liabilities					
Accounts payable and accrued expenses	126 510	110 385	8 085	7 055	
Total current liabilities	126 510	110 385	8 085	7 055	
Total liabilities	126 510	110 385	8 085	7 055	
Owners' equity					
Share capital (par value)	132 000	132 000	8 436	8 436	2
Retained earning and reserves	403 576	305 137	25 793	19 502	
Net profit	148 747	177 638	9 507	11 353	
Total owners' equity	684 323	614 776	43 736	39 291	
Total liabilities and owners' equity	810 833	725 161	51 822	46 346	

Parent company balance sheet as of 30.09.02
unaudited

	EEK in thousands		EUR in thousands	
	30.09.02	31.12.01	30.09.02	31.12.01
Assets				
Current assets				
Cash and bank accounts	83 977	57 647	5 367	3 684
Marketable securities	114 304	123 452	7 305	7 890
Accounts receivable	173 755	179 026	11 105	11 442
Allowance for doubtful receivables	-12 791	-12 791	-817	-817
Other receivables and prepayments	127 378	99 274	8 141	6 345
Inventories	90 887	77 357	5 809	4 944
Total current assets	577 510	523 965	36 910	33 487
Non-current assets				
Long-term financial assets	108 305	76 634	6 922	4 898
Property, plant and equipment	127 655	121 996	8 159	7 797
Intangible assets	1 106	1 120	71	72

Total non-current assets	237 066	199 750	15 151	12 766
Total assets	814 576	723 715	52 061	46 254

Liabilities and shareholders' equity

Liabilities

Current liabilities

Accounts payable and accrued expenses	130 253	108 939	8 325	6 962
Total current liabilities	130 253	108 939	8 325	6 962
Total liabilities	130 253	108 939	8 325	6 962

Owners' equity

Share capital (par value)	132 000	132 000	8 436	8 436
Retained earnings and reserves	403 576	305 137	25 793	19 502
Net profit	148 747	177 638	9 507	11 353
Total owners' equity	684 323	614 776	43 736	39 291
Total liabilities and owners equity'	814 576	723 715	52 061	46 254

Consolidated income statement Q3 and 9 month Y2002
unaudited

EEK in thousands

	01.07.02- 30.09.02	01.01.02- 30.09.02	01.07.01- 30.09.01	01.01.01- 30.09.01	Note
Net sales	240 151	736 387	207 495	570 214	3
Cost of goods sold	179 306	554 794	146 216	392 171	
Gross profit	60 845	181 593	61 279	178 043	
Marketing expenses	4 369	15 132	6 186	17 895	
Administrative and general exp.	8 351	24 968	8 175	22 520	
Product development expense	5 536	14 708	4 411	13 790	
Bad debt provision	0	-48	-17	3 296	4
Other income	18 903	19 675	478	6 314	
Other expenses	353	1 907	898	2 230	
Operating profit	61 139	144 601	42 104	124 626	
Financial income	3 149	10 053	2 773	10 286	
Financial expenses	323	2 040	150	460	
Profit before taxes	63 965	152 614	44 727	134 452	
Provision for taxes	3 798	3 867	0	2 232	
Net profit	60 167	148 747	44 727	132 220	
Earnings per share in EEK	4,56	11,27	3,39	10,01	5

Consolidated income statement Q3 and nine month Y2002
unaudited

EUR in thousands

	01.07.02- 30.09.02	01.01.02- 30.09.02	01.07.01- 30.09.01	01.01.01- 30.09.01
Net sales	15 348	47 064	13 261	36 443
Cost of goods sold	11 460	35 458	9 345	25 064
Gross profit	3 889	11 606	3 916	11 379
Marketing expenses	279	967	395	1 144
Administrative and general exp.	534	1 596	522	1 439
Product development expense	354	940	282	881
Bad debt provision	0	-3	-1	211
Other income	1 208	1 257	31	404
Other expenses	23	122	57	143
Operating profit	3 907	9 242	2 691	7 965
Financial income	201	643	177	657
Financial expenses	21	130	10	29
Profit before taxes	4 088	9 754	2 859	8 593
Provision for taxes	243	247	0	143

Net profit	3 845	9 507	2 859	8 450
Earnings per share in EEK	0,29	0,72	0,22	0,64

Parent company income statement Q3 and nine month Y2002
unaudited

	EEK in thousands			
	01.07.02- 30.09.0	01.01.02- 30.09.02	01.07.01- 30.09.01	01.01.01- 30.09.01
Net sales	235 278	721 386	202 352	554 013
Cost of goods sold	175 688	552 679	145 892	391 251
Gross profit	59 590	168 707	56 460	162 762
Marketing expenses	4 280	14 845	6 104	17 675
Administrative and general exp.	5 766	16 766	4 676	14 480
Product development expenses	5 536	14 708	4 411	13 790
Bad debt provision	0	0	0	3 323
Other income	224	745	402	1 013
Other expenses	379	1 719	613	1 754
Operating profit	43 853	121 414	41 058	112 753
Financial income	19 681	32 017	3 669	21 963
Financial expenses	-268	1 049	0	297
Profit before taxes	63 802	152 382	44 727	134 419
Provision for taxes	3 635	3 635	0	2 199
Net profit	60 167	148 747	44 727	132 220
Earnings per share in EEK	4,56	11,27	3,39	10,01

Parent company income statement Q3 and nine month Y2002
unaudited

	EUR in thousands			
	01.07.02- 30.09.02	01.01.02- 30.09.02	01.07.01- 30.09.01	01.01.01- 30.09.01
Net sales	15 037	46 105	12 933	35 408
Cost of goods sold	11 228	35 323	9 324	25 005
Gross profit	3 808	10 782	3 608	10 402
Marketing expenses	274	949	390	1 130
Administrative and general exp.	369	1 072	299	925
Product development expenses	354	940	282	881
Bad debt provision	0	0	0	212
Other income	14	48	26	65
Other expenses	24	110	39	112
Operating profit	2 803	7 760	2 624	7 206
Financial income	1 258	2 046	234	1 404
Financial expenses	-17	67	0	19
Profit before taxes	4 078	9 739	2 859	8 591
Provision for taxes	232	232	0	141
Net profit	3 845	9 507	2 859	8 450
Earnings per share in EEK	0,29	0,72	0,22	0,64

Consolidated cash flows as of 30.09.02
unaudited

EEK in thousands		EUR in thousands	
01.01.02-	01.01.01-	01.01.02-	01.01.01-

	30.09.02	30.09.01	30.09.02	30.09.01
Operating activities				
Operating profit	144 601	124 626	9 242	7 965
Profit from sale of property, plant and equipment	-20 117	-654	-1 286	-42
Revenues from subsidiary companies	0	1 094	0	70
Depreciation	30 078	24 992	1 922	1 597
Property, plant and equipment write-off	4	228	0	15
Property, plant and equipment discount	0	29	0	2
Increase (-), decrease (+) in current assets	-59 032	-69 780	-3 773	-4 460
Increase (-), decrease (+) in current liabilities	16 125	35 070	1 031	2 241
Interest received and other fin .income	5 574	8 961	356	573
Interest and other financial expenses paid	-3 893	-2 246	-249	-144
Total operating activities	113 340	122 320	7 244	7 818
Investing activities				
Property, plant and equipment sold	28 885	1 105	1 846	71
Property, plant and equipm. acquired	-33 470	-62 720	-2 139	-4 009
Loans issued	-114	-188	-7	-12
Loans repaid	254	562	16	36
Subssidiary companies sold	0	5 000	0	320
Financial activities change	-8 703	0	-556	0
Total investing activities	-13 148	-56 241	-840	-3 594
Financing activities				
Dividends paid	-79 200	-66 000	-5 062	-4 218
Total financing activities	-79 200	-66 000	0	-4 218
Net cash flow	20 992	79	1 342	5
Movement in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	182 901	146 937	11 689	9 391
Net cash flow	20 992	79	1 342	5
Foreign exchange gain	-944	-215	-60	-14
Cash and cash equivalents at the end of the period	202 949	146 801	12 971	9 382
incl.cash and bank accounts	88 645	50 146	5 665	3 205
marketable securities	114 304	96 655	7 305	6 177

Changes in owners` equity as of 30.09.02
unaudited

	EEK in thousands				
	Share capital	Reserves	Previous period profit	Financial year profit	Total owners equity
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				177 638	177 638
31.12.2001	132 000	13 200	291 938	177 638	614 776
31.12.2001	132 000	13 200	291 938	177 638	614 776
Net retained earnings of 2001			177 638	-177 638	0
Dividends			-79 200		-79 200
Net profit for the					

financial year				148 747	148 747
30.09.2002	132 000	13 200	390 376	148 747	684 323

	Share capital	Reserves	EUR in thousands		
			Previous period profit	Financial year profit	Total owners equity
31.12.2000	8 436	844	12 813	10 063	32 156
Net retained earnings of 2000			10 063	-10 063	0
Dividends			-4 218	0	-4 218
Net profit for the financial year				11 353	11 353
31.12.2001	8 436	844	18 658	11 353	39 291
31.12.2001	8 436	844	18 658	11 353	39 291
Net retained earnings of 2001			11 353	-11 353	0
Dividends			-5 062	0	-5 062
Net profit for the financial year				9 509	9 509
30.09.2002	8 436	844	24 950	9 507	43 736

Notes to the Consolidated Financial Statements the period 01. January - 30. September 2002

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 AS Norma on September 30, 2002. 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 31.12.2001	87 988	280 291	5 753	4 244	6 432	384 708
Additions	2 484	19 282	405	15 947	5 585	43 703
Sale and written off	-8 527	-8 236	-69	0	0	-16 832
Reconstruction	0	0	0	-4 244	-6 432	-10 676
Acquisition cost as of 30.09.2002	81 945	291 337	6 089	15 947	5 585	400 903
Depreciation as of 31.12.2001	-9 994	-157 173	-1 500	0	0	-168 667
Depreciation charge	-3 727	-24 864	-679	0	0	-29 270
Depreciation of fixed assets sold and written off	-82	8 109	33	0	0	8 060
Depreciation as of 30.09.2002	-13 803	-173 928	-2 146	0	0	-189 877
Net book amount as of 31.12.2001	77 994	123 118	4 253	4 244	6 432	216 042
Net book amount as of 30.09.2002	68 142	117 409	3 943	15 947	5 585	211 026

2. Share Capital

30.09.2002 31.12.2001

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. 79,2 million kroons was paid out in dividends for 2001 at EEK 6 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 30.09.2002:

Autoliv AB	51.0%
Nordea Bank Finland PLC Clients Account Trading	8.6%
Skandinaviska Enskilda Banken Ab Clients	8.0%
Clearstream Banking Luxembourg S.A. Clients	5.3%

3. Segment Information by Product Lines	Safety belts 01.01.02- 30.09.02	Other products 01.01.02- 30.09.02	Total 01.01.02- 30.09.02	Safety belts 01.01.01- 30.09.01	Other products 01.01.01- 30.09.01	Total 01.01.01- 30.09.01
Sales	694 924	92 432	787 356	490 447	131 003	621 450
Internal sales		(50 969)	(50 969)		(51 236)	(51 236)
Net sales	694 924	41 463	736 387	490 447	79 767	570 214
Operating profit	142 589	2 012	144 601	122 336	2 290	124 626
Assets	524 903	93 392	618 295	389 673	104 847	494 520
Unallocated assets			192 538			174 887
Total assets			810 833			669 407
Liabilities	119 758	6 752	126 510	91 575	8 474	100 049
Investments	33 263	207	33 470	62 527	193	62 720
Depreciation charge	26 547	3 531	30 078	21 493	3 499	24 992
Fixed assets' revaluation	0	0	0	29	0	29

Segments are based on the production of the company where main product group is safety belt and other products (car components) have separately less than 10% of total sales. Costs are in line with the product's importance in profit. Assets (except shares, other securities and loans), liabilities and investments are divided by their relation to the segments. Depreciation charge and revaluation are divided by the relations with the main product groups.

Segmets' Information by Market	Net sales 01.01.02- 30.09.02	Net sales 01.01.01- 30.09.01
Estonia	12 474	10 918
Czech Republic	5 389	3 089
Lithuania	403	804
Russia	373 517	367 941
Sweden	311 897	147 445
Austria	10 258	12 670
Germany	1 404	422
France	5 861	9 757
Netherlands	1 582	711
Finland	2 838	1 381
Denmark	646	3 234
USA	518	510
Belgium	2 140	3 114
Other countries	7 460	8 217

Total:

736 387

570 214

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

4. Bad Debt Provisions	The amount of receivables charged to expenses 01.01.02.- 30.09.02	The amount of receivables charged to expenses 01.01.01- 30.09.01
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Received from the allowance of previous years	-53	-141
Provisions reserve	0	3 283
Written-off provisions	5	154
Total	-48	3 296

5. Earnings per Share	30.09.2002	30.09.2001
Net profit	148 747	132 220
Average number of shares (in thousands)	13 200	13 200
Earnings per share (EPS)	11.27	10.01

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

6. Related Parties	01.01.02-30.09.02		01.01.01-30.09.01	
	Sale to AS Norma	Purchases from AS Norma	Sale to AS Norma	Purchases from AS Norma
Autoliv AB	227 420	301 646	138 160	147 571

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