

AS Norma

Interim report for
the period 01. January - 31. December and Q4 2002

Consolidated financial results Q4 Y2002
(unaudited)

Sales and Revenues

During the Y2002 period consolidated net sales of AS Norma totalled 1013.8 MEEK (64.8 MEUR), of which those of the parent company were 1000.7 MEEK (64.0 MEUR). Consolidated sales increased by 24% (+197.8 MEEK, +12.6 MEUR) from Y2001. Q4 Y2002 consolidated sales totalled 277.4 MEEK (17.7 MEUR), increase 13% . Sales to Russian customers decreased 1.7%. Sales to Western customers increased 69%.

Sales to Autoliv amounted 445.0 MEEK (28.4 MEUR) Y2002.

Revenues of AS Norma accounted for 99%.

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, 50% of it was exported to Russian customers (Y2001 63%).

The number of employees at the end of the period was 1038.

Use of Capital

Accounts receivable at the end Y2002 totalled 163.2 MEEK (10.4 MEUR), of which 40% related to the Russian customers. During period Y2002 volume of accounts receivable has increased by 9.9 MEEK (0.6 MEUR). Receivables from Autoliv were increase 43.2 MEEK (2.8 MEUR) and amounted 86.6 MEEK (5.5 MEUR).

Norma's payables to Autoliv was 62.5 MEEK (4.0 MEUR).

The share of accounts in arrears of total receivable was 12%.

The provision for bad debts was decreased by 2.9 MEEK (0.2 MEUR) and the reserve totalled 10.2 MEEK (0.6 MEUR).

As of the Y2002, the consolidated balance sheet size was 851.6 MEEK (54.4 MEUR), a growth by 126.5 MEEK (+8.0 MEUR), increased due to the current assets 111.1 MEEK (+7.1 MEUR).

Total liabilities amounted to 122.4 MEEK (7.8 MEUR).

The company has no long term liabilities.

The group's owners' equity increased by 114.4 MEEK (+7.3 MEUR), amounting to 729.2 MEEK (46.6 MEUR) (86% of balance sheet size).

Investments

AS Norma invested a total of 53.4 MEEK (3.4 MEUR), to support existing production capacities and assure the efficiency its production processes. Of the total 49.7 MEEK (3.2 MEUR) was invested in machinery and equipment.

Profit and Earnings per Share

The company's consolidated unaudited net profit in Y2002 was 193.6 MEEK (12.4 MEUR). Net profit has increased by 16.0 MEEK (1.0 MEUR), which is 9%.

Net profit Q4 Y2002 was 44.9 MEEK (2.9 MEUR), decrease 1.2% compared to Q4 Y2001.

Earnings per share were 14.67 EEK (0.94 EUR) in Y2002.

Y2001 earnings per share were 13.46 EEK (0.86 EUR).

Significant Events and Changes in Business Activities Q4 Y2002

AS Norma and AS Norma Maja effected a merger agreement.

The Y2003 quarter results of AS Norma will be released at April 23, 2003, July 16, 2003, October 15, 2003 and January 21, 2004.

Consolidated balance sheet as of 31.12.02
unaudited

	EEK in thousands		EUR in thousands		Note
Assets	31.12.2002	31.12.2001	31.12.2002	31.12.2001	
Current assets					
Cash and bank accounts	214 228	59 449	13 692	3 799	
Marketable securities	128 620	123 452	8 220	7 890	
Accounts receivable	163 209	153 291	10 431	9 797	
Allowance for doubtful receivables	-10 164	-13 136	-650	-840	
Other receivables and prepayments	29 835	99 985	1 907	6 390	
Inventories	91 551	83 132	5 851	5 313	
Total current assets	617 279	506 173	39 451	32 350	
Non-current assets					
Long-term financial assets	9 600	1 060	614	68	
Property, plant and equipment	223 030	216 042	14 254	13 808	1
Intangible assets	1 711	1 886	109	121	
Total non-current assets	234 341	218 988	14 977	13 996	
Total assets	851 620	725 161	54 428	46 346	
Liabilities and shareholders' equity					
Liabilities					
Current liabilities					
Accounts payable and accrued expenses	122 420	110 385	7 824	7 055	
Total current liabilities	122 420	110 385	7 824	7 055	
Total liabilities	122 420	110 385	7 824	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	193 624	177 638	12 375	11 353	
Total owners' equity	729 200	614 776	46 604	39 291	
Total liabilities and owners' equity	851 620	725 161	54 428	46 346	

Parent company balance sheet as of 31.12.02 *
unaudited

	EEK in thousands		EUR in thousands	
Assets	30.09.2002	31.12.2001	30.09.2002	31.12.2001
Current assets				
Cash and bank accounts	213 047	57 647	13 616	3 684
Marketable securities	128 620	123 452	8 220	7 890
Accounts receivable	166 329	179 026	10 630	11 442
Allowance for doubtful receivables	-10 164	-12 791	-650	-817
Other receivables and prepayments	26 894	99 274	1 719	6 345
Inventories	81 811	77 357	5 229	4 944
Total current assets	606 537	523 965	38 765	33 487
Non-current assets				
Long-term financial assets	31 341	76 634	2 003	4 898
Property, plant and equipment	209 261	121 996	13 374	7 797

Intangible assets	955	1 120	61	72
Total non-current assets	241 557	199 750	15 438	12 766
Total assets	848 094	723 715	54 203	46 254

Liabilities and shareholders' equity

Liabilities

Current liabilities

Accounts payable and accrued expenses	118 894	108 939	7 599	6 962
Total current liabilities	118 894	108 939	7 599	6 962

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Total liabilities	118 894	108 939	7 599	6 962
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Owners' equity

Share capital (par value)	132 000	132 000	8 436	8 436
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Retained earning and reserves	403 576	305 137	25 793	19 502
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Net profit	193 624	177 638	12 375	11 353
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Total owners' equity	729 200	614 776	46 604	39 291
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Total liabilities and owners' equity	848 094	723 715	54 203	46 254
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* Y2002 data of the parent company include data of the merged subsidiary company AS Norma Maja.

Consolidated income statement Q4 and Y2002
unaudited

EEK in thousands

	01.10.02- 31.12.02	01.01.02- 31.12.02	01.10.01- 31.12.01	01.01.01- 31.12.01	Note
Net sales	277 378	1 013 765	245 705	815 920	4
Cost of goods sold	219 117	773 911	188 034	580 205	
Gross profit	58 261	239 854	57 671	235 715	
Marketing expenses	4 873	20 005	5 706	23 601	
Administrative and general exp.	8 008	32 976	9 596	32 116	
Product development expense	7 884	22 592	5 081	18 871	
Bad debt provision	-2 600	-2 648	-5 135	-1 839	5
Other income	3 864	23 539	734	7 048	
Other expenses	1 674	3 581	680	2 910	
Operating profit	42 286	186 887	42 477	167 104	
Financial income	2 582	12 130	2 942	13 122	
Financial expenses	0	1 535	0	355	
Profit before taxes	44 868	197 482	45 419	179 871	
Provision for taxes	-9	3 858	0	2 232	
Net profit	44 877	193 624	45 419	177 639	
Earnings per share in EEK	3,40	14,67	3,44	13,46	3

Consolidated income statement Q4 and Y2002
unaudited

EUR in thousands

	01.10.02- 31.12.02	01.01.02- 31.12.02	01.10.01- 31.12.01	01.01.01- 31.12.01
Net sales	17 728	64 791	15 703	52 147
Cost of goods sold	14 004	49 462	12 018	37 082
Gross profit	3 724	15 329	3 686	15 065
Marketing expenses	311	1 279	365	1 508
Administrative and general exp.	512	2 108	613	2 053
Product development expense	504	1 444	325	1 206
Bad debt provision	-166	-169	-328	-118
Other income	247	1 504	47	450

Other expenses	107	229	43	186
Operating profit	2 703	11 944	2 715	10 680
Financial income	165	775	188	839
Financial expenses	0	98	0	23
Profit before taxes	2 868	12 621	2 903	11 496
Provision for taxes	-1	247	0	143
Net profit	2 868	12 375	2 903	11 353
Earnings per share in EEK	0,22	0,94	0,22	0,86

Parent company income statement Q4 and 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
Net sales	272 786	1 000 731	241 107	795 120
Cost of goods sold	216 374	769 672	186 500	577 751
Gross profit	56 412	231 059	54 607	217 369
Marketing expenses	4 758	19 603	5 635	23 310
Administrative and general exp.	5 934	25 779	6 695	21 175
Product development expenses	7 884	22 592	5 081	18 871
Bad debt provision	-2 600	-2 648	-5 283	-1 960
Other income	2 966	23 020	244	1 257
Other expenses	902	3 306	687	2 441
Operating profit	42 500	185 447	42 036	154 788
Financial income	2 861	13 345	3 702	25 665
Financial expenses	484	1 533	319	616
Profit before taxes	44 877	197 259	45 419	179 837
Provision for taxes	0	3 635	0	2 199
Net profit	44 877	193 624	45 419	177 638
Earnings per share in EEK	3,40	14,67	3,44	13,46

* Y2002 data of the parent company include data of the merged subsidiary company AS Norma Maja.

Parent company income statement Q4 and Y2002 *
unaudited

	EUR in thousands			
	01.10.02- 31.12.02	01.01.02- 31.12.02	01.10.01- 31.12.01	01.01.01- 31.12.01
Net sales	17 434	63 958	15 410	50 817
Cost of goods sold	13 829	49 191	11 919	36 925
Gross profit	3 605	14 767	3 490	13 892
Marketing expenses	304	1 253	360	1 490
Administrative and general exp.	379	1 648	428	1 353
Product development expenses	504	1 444	325	1 206
Bad debt provision	-166	-169	-338	-125
Other income	190	1 471	16	80
Other expenses	58	211	44	156
Operating profit	2 716	11 852	2 687	9 893
Financial income	183	853	237	1 640
Financial expenses	31	98	20	39

Profit before taxes	2 868	12 607	2 903	11 494
Provision for taxes	0	232	0	141
Net profit	2 868	12 375	2 903	11 353
Earnings per share in EEK	0,22	0,94	0,22	0,86

* Y2002 data of the parent company include data of the merged subsidiaries company AS Norma Maja.

Consolidated cash flows as of 31.12.02
unaudited

	EEK in thousands		EUR in thousands	
	01.01.02- 31.12.02	01.01.01- 31.12.01	01.01.02- 31.12.02	01.01.01- 31.12.01
Operating activities				
Operating profit	186 887	167 102	11 944	10 680
Profit from sale of property, plant and equipment	-23 329	-1 258	-1 491	-80
Revenues from subsidiary companies	0	1 094	0	70
Depreciation	40 357	33 820	2 579	2 161
Property, plant and equipment write-off	173	286	11	18
Property, plant and equipment discount	0	29	0	2
Increase (-), decrease (+) in current assets	48 556	-72 594	3 103	-4 640
Increase (-), decrease (+) in current liabilities	12 035	45 406	769	2 902
Interest received and other financial income	12 413	10 486	793	670
Interest and other financial expenses paid	-297	-33	-19	-2
Total operating activities	276 795	184 338	17 690	11 781
Investing activities				
Property, plant and equipment sold	29 422	2 032	1 880	130
Property, plant and equipment acquired	-53 436	-87 211	-3 415	-5 574
Loans issued	-152	-199	-10	-13
Loans repaid	317	557	20	36
Subsidiary companies sold	0	5 000	0	320
Financial activities change	-8 703	0	-556	0
Total investing activities	-32 552	-79 821	-2 080	-5 101
Financing activities				
Dividends tax	-3 635	-2 199	-232	-141
Dividends paid	-79 200	-66 000	-5 062	-4 218
Total financing activities	-82 835	-68 199	0	-4 359
Net cash flow	161 408	36 318	10 316	2 321
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	161 408	36 318	10 316	2 321
Foreign exchange gain	-1 461	-354	-93	-23
Cash and cash equivalents at the end of the period	342 848	182 901	21 912	11 689
incl.cash and bank accounts	214 228	59 449	13 692	3 799
marketable securities	128 620	123 452	8 220	7 890

Changes in owners` equity as of 31.12.02
 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				193 624	193 624
31.12.2002	132 000	13 200	390 376	193 624	729 200

EUR in thousands

	Share capital	Reserves	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				12 375	12 375
31.12.2002	8 436	844	24 950	12 357	46 604

Notes to the Consolidated Financial Statements the period 01. January - 31. December 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 December 31, 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	80 626	280 291	5 753	4 244	6 432	377 346
Additions	3 822	42 180	2 800	12 113	2 426	63 341
Sale and written off	-	-11 409	-171	-	-	-11 580
Reconstruction	-	-	-	-4 244	-6 432	-10 676
Acquisition cost as of 31.12.2002	84 448	311 062	8 382	12 113	2 426	418 431
Depreciation as of 31.12.2001	-8 883	-157 173	-1 500	-	-	-167 556
Depreciation charge	-4 066	-34 205	-979	-	-	-39 250
Depreciation of fixed assets sold and written off	-	11 288	117	-	-	11 405
Depreciation as of 31.12.2002	-12 949	-180 090	-2 362	-	-	-195 401
Net book amount as of 31.12.2001	71 743	123 118	4 253	4 244	6 432	209 790
Net book amount as of 31.12.2002	71 499	130 972	6 020	12 113	2 426	223 030

Acquisition cost of fully depreciated fixed assets (0 book value) as of 12/31/01 was 76 419 thousand kroons; as of 12/31/02 76 540 thousand kroons.

Investment property	Buildings	Total
Acquisition cost as of 31.12.01	7 362	7 362
Sold	-7 362	-7 362
Acquisition cost as of 31.12.02	0	0
Accumulated deprecation as of 31.12.01	-1 111	-1 111
Deprecation charge	-79	-79
Sold	1 190	1 190
Accumulated deprecation as of 31.12.02	0	0

The lease income earned from the real estate in 2002 was 2 324 thousand kroons (Y2001 2 406 th. kroons) and the corresponding expense was 215 thousand kroons (Y2001 320 th. kroons).

Gain from the sale of investment property in 2002 was 19 715 thousand kroons.

2. Share Capital	31.12.2002	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	8.4%
Skandinaviska Enskilda Banken Ab Clients	7.8%
Clearstream Banking Luxembourg S.A. Clients	5.4%

3. Earnings per Share	31.12.2002	31.12.2001
Net profit	193 624	177 639
Average number of shares (in thousands)	13 200	13 200
Earnings per share (EPS)	14,67	13.46

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

4. 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	950 241	129 930	1 080 171	752 621	130 881	883 502
Internal sales		(66 406)	(66 406)		(67 582)	(67 582)
Net sales	950 241	63 524	1 013 765	752 621	63 299	815 920
Operating profit	184 661	2 226	186 887	164 928	2 175	167 103
Assets	549 492	95 275	644 767	421 156	102 320	523 476
Unallocated assets			206 853			201 685
Total assets			851 620			725 161
Liabilities	113 024	9 396	122 420	102 128	8 257	110 385
Investments	53 102	334	53 436	86 958	253	87 211
Depreciation charge	35 499	4 858	40 357	28 508	5 312	33 820
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.

Segments' Information by Market	Net sales 01.01.02- 31.12.02	Net sales 01.01.01- 31.12.01
Russia	493 816	502 628
Sweden	452 653	243 161
Estonia	16 636	15 657
Austria	12 071	13 946
France	7 978	12 263
Ukraine	7 464	6 089
Czech Republic	6 649	4 489
Finlandia	4 413	2 043
Belgium	2 517	4 010
Germany	2 186	478
Denmark	2 000	3 234
Netherlands	1 946	1 245
USA	1 179	1 378
Poland	770	808
Lithuania	612	905
Other countries	875	3 586
Total	1 013 756	815 920

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

5. Bad Debt Provisions

**The amount of
receivables
charged to
expenses
01.01.02.-
31.12.02**

The amount of
receivables
charged to
expenses
01.01.01-
31.12.01

Received from the allowance of previous years	-53	-5 444
Provisions reserve	-2 889	3 297
Written-of provisions	294	308
Total	-2 648	-1 839

6. Related Parties

01.01.02-31.12.02

01.01.01-31.12.01

	Sale to AS Norma	Purchases from AS Norma	Sale to AS Norma	Purchases from AS Norma
Autoliv AB	367 671	445 189	244 631	231 528

According to management opinion intra-company trading transactions with Autoliv companies are based on market prices.

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