

AS Norma

Interim report for
the period 9 month and Q3 2003

FINANCIAL RESULTS Q3 and nine month Y2003
(unaudited)

Sales and Revenues

During the period of nine month Y2003 consolidated net sales of AS Norma totalled 722.1 MEEK (46.1 MEUR), of which those to the parent company were 703.4 MEEK (45.0 MEUR). Consolidated sales decreased by 2% (-14.3 MEEK, -0.9 MEUR) from nine month Y2002. Sales to Russian customers decreased 22% and to Western customers rose by 19%. Sales to Russian customers decreased 22,4% in Q3 Y2003 due to volume decrease.

Sales to Autoliv were in nine month Y2003 379.9 MEEK (24.3 MEUR).

Revenues of AS Norma accounted for 97%. The group's main fields of activity include production and sale of safety belts, car components. Exports accounted to 98% of sales revenue, 41% of production was exported to Russian customers (nine month Y2002 52%). The number of employees at the end of the period was 929.

Use of Capital

Accounts receivable at the end nine month Y2003 totalled 172.1 MEEK (11.0 MEUR), of which 42% related to the Russian customers. During the nine month period Y2003 volume of accounts receivable has increased by 8.3 MEEK (0.6 MEUR), Autoliv receivables was 90.3 MEEK (5.8 MEUR). Norma's payables to Autoliv was 79.9 MEEK (5.1 MEUR).

The share of accounts in arrears of total receivable was 11%. The provision for bad debts remained on the same level and the reserve totalled 10.2 MEEK (0.7 MEUR). As of the nine month period Y2003, the consolidated total assets were 880.3 MEEK (56.3 MEUR), a growth by 28.6 MEEK (1.8 MEUR), main increase in the current assets 17.4 MEEK (1.1 MEUR). Total liabilities amounted to 119.3 MEEK (7.6 MEUR). The company has no long term liabilities. The group's owners' equity increased by 31.7 MEEK (2.0 MEUR), amounting to 760.9 MEEK (48.6 MEUR) (86% of total assets).

Investments

AS Norma invested a total of 49.5 MEEK (3.2 MEUR), to support existing production capacities and assure the future profits.

Profit and Earnings per Share

The company's consolidated unaudited net profit nine month period Y2003 was 97.7 MEEK (6.2 MEUR). Net profit has decreased by 51.0 MEEK (3.3 MEUR), a 34% decrease (148.7 MEEK, 9.5 MEUR nine month Y2002). Net profit Q3 Y2003 was 28.0 MEEK (1.8 MEUR) and decrease by 53%.

The profit in nine month and Q3 Y2002 included gain from the sale of property Laki 14A (17.0 MEEK 1.1 MEUR)

Earnings per share were 7.40 EEK (0.47 EUR) in nine month Y2003. Nine month Y2002 11.27 EEK (0.72 EUR).

The Q4 Y2003 results of AS Norma will be released at January 21, 2004.

Consolidated balance sheet as of 30.09.03
unaudited

EEK in thousands EUR in thousands

Assets

	30.09.03	31.12.02	30.09.03	31.12.02
Current assets				
Cash and bank accounts	134 308	214 228	8 584	13 692
Marketable securities	140 936	128 620	9 007	8 220
Accounts receivable	172 105	163 209	10 999	10 431
Allowance for doubtful receivables	-10 164	-10 164	-650	-650
Other receivables and prepayments	98 231	29 835	6 278	1 907
Inventories	99 289	91 551	6 346	5 851
Total current assets	634 705	617 279	40 565	39 451
Non-current assets				
Long-term financial assets	9 383	9 600	600	614
Property, plant and equipment	214 915	223 030	13 736	14 254
Intangible assets	21 226	1 711	1 357	109
Total non-current assets	245 524	234 341	15 692	14 977
Total assets	880 229	851 620	56 257	54 428
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	119 305	122 420	7 625	7 824
Total current liabilities	119 305	122 420	7 625	7 824
Total liabilities	119 305	122 420	7 625	7 824
Owners' equity				
Share capital (par value)	132 000	132 000	8 436	8 436
Retained earning and reserves	531 200	403 576	33 950	25 793
Net profit	97 724	193 624	6 246	12 375
Total owners' equity	760 924	729 200	48 632	46 604
Total liabilities and owners' equity	880 229	851 620	56 257	54 428

Parent company balance sheet as of 30.09.03
unaudited

	EEK in thousands		EUR in thousands	
	30.09.03	31.12.02	30.09.03	31.12.02
Assets				
Current assets				
Cash and bank accounts	132 073	213 047	8 441	13 616
Marketable securities	140 936	128 620	9 007	8 220
Accounts receivable	176 088	166 329	11 254	10 630
Allowance for doubtful receivables	-10 164	-10 164	-650	-650
Other receivables and prepayments	96 204	26 894	6 149	1 719
Inventories	90 191	81 811	5 764	5 229
Total current assets	625 328	606 537	39 966	38 765
Non-current assets				
Long-term financial assets	29 182	31 341	1 865	2 003
Property, plant and equipment	203 260	209 261	12 991	13 374
Intangible assets	20 659	955	1 320	61
Total non-current assets	253 101	241 557	16 176	15 438
Total assets	878 429	848 094	56 142	54 203
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	116 793	118 894	7 464	7 599

Total current liabilities	116 793	118 894	7 464	7 599
Total liabilities	116 793	118 894	7 464	7 599
Owners` equity				
Share capital (par value)	132 000	132 000	8 436	8 436
Retained earning and reserves	531 200	403 576	33 950	25 793
Net profit	98 436	193 624	6 291	12 375
Total owners` equity	761 636	729 200	48 677	46 604
Total liabilities and owners` equity	878 429	848 094	56 142	54 203

Consolidated income statement Q3 and 9 month Y2003
unaudited

	EEK in thousands			
	01.07.03- 30.09.03	01.01.03- 30.09.03	01.07.02- 30.09.02	01.01.02- 30.09.02
Net sales	222 849	722 076	240 151	736 387
Cost of goods sold	174 339	583 030	179 306	554 794
Gross profit	48 510	139 046	60 845	181 593
Marketing expenses	4 631	12 499	4 369	15 132
Administrative and general exp.	6 838	20 013	8 351	24 968
Product development expense	5 930	14 390	5 536	14 708
Bad debt provision	13	304	0	-48
Other income	-881	4 059	18 903	19 675
Other expenses	245	1 993	353	1 907
Operating profit	29 972	93 906	61 139	144 601
Financial income	1 590	7 449	3 149	10 053
Financial expenses	127	174	323	2 040
Profit before taxes	31 435	101 181	63 965	152 614
Provision for taxes	3 456	3 457	3 798	3 867
Net profit	27 979	97 724	60 167	148 747
Earnings per share in EEK	2,12	7,40	4,56	11,27

Consolidated income statement Q3 and 9 month Y2003
unaudited

	EUR in thousands			
	01.07.03- 30.09.03	01.01.03- 30.09.03	01.07.02- 30.09.02	01.01.02- 30.09.02
Net sales	14 243	46 149	15 348	47 064
Cost of goods sold	11 142	37 262	11 460	35 458
Gross profit	3 100	8 887	3 889	11 606
Marketing expenses	296	799	279	967
Administrative and general exp.	437	1 279	534	1 596
Product development expense	379	920	354	940
Bad debt provision	1	19	0	-3
Other income	-56	259	1 208	1 257
Other expenses	16	127	23	122
Operating profit	1 916	6 002	3 907	9 242
Financial income	102	476	201	643
Financial expenses	8	11	21	130
Profit before taxes	2 009	6 467	4 088	9 754
Provision for taxes	221	221	243	247
Net profit	1 788	6 246	3 845	9 507
Earnings per share in EEK	0,14	0,47	0,29	0,72

Parent company income statement Q3 and 9 month Y2003
 unaudited

	EEK in thousands			
	01.07.03- 30.09.03	01.01.03- 30.09.03	01.07.02- 30.09.02	01.01.02- 30.09.02
Net sales	216 965	703 444	235 278	721 386
Cost of goods sold	172 146	571 677	175 688	552 679
Gross profit	44 819	131 767	59 590	168 707
Marketing expenses	4 553	12 253	4 280	14 845
Administrative and general exp.	4 218	14 615	5 766	16 766
Product development expenses	5 930	14 390	5 536	14 708
Bad debt provision	13	304	0	0
Other income	928	6537	224	745
Other expenses	497	158	379	1 719
Operating profit	30 536	96 584	43 853	121 414
Financial income	1 229	7 406	19 681	32 017
Financial expenses	1 063	2 099	-268	1 049
Profit before taxes	30 702	101 891	63 802	152 382
Provision for taxes	3 455	3 455	3 635	3 635
Net profit	27 247	98 436	60 167	148 747
Earnings per share in EEK	2,06	7,46	4,56	11,27

Parent company income statement Q3 and 9 month Y2003
 unaudited

	EUR in thousands			
	01.07.03- 30.09.03	01.01.03- 30.09.03	01.07.02- 30.09.02	01.01.02- 30.09.02
Net sales	13867	44958	15037	46105
Cost of goods sold	11002	36537	11228	35323
Gross profit	2864	8421	3808	10782
Marketing expenses	291	783	274	949
Administrative and general exp.	270	934	369	1072
Product development expenses	379	920	354	940
Bad debt provision	1	19	0	0
Other income	59	418	14	48
Other expenses	32	10	24	110
Operating profit	1952	6173	2803	7760
Financial income	79	473	1258	2046
Financial expenses	68	134	-17	67
Profit before taxes	1962	6512	4078	9739
Provision for taxes	221	221	232	232
Net profit	1741	6291	3845	9507
Earnings per share in EEK	0,13	0,48	0,29	0,72

Consolidated cash flows as of 30.09.03
 unaudited

EEK in thousands EUR in thousands
 01.01.03- 01.01.02- 01.01.03- 01.01.02-

	30.09.03	30.09.02	30.09.03	30.09.02
Operating activities				
Operating profit	93 906	144 601	6 002	9 242
Profit from sale of property, plant and equipment	-221	-20 117	-14	-1 286
Deprecation	36 023	30 078	2 302	1 922
Property, plant and equipment write-off	2 021	4	129	0
Increase (-), decrease (+) in current assets	-85 126	-59 032	-5 441	-3 773
Increase (-), decrease (+) in current liabilities	-3 115	16 125	-199	1 031
Interest received and other financial income	7 768	5 574	496	356
Interest and other financial expenses paid	-22	-258	-1	-16
Total operating activities	51 234	116 975	3 274	7 476
Investing activities				
Property, plant and equipment sold	221	28 885	14	1846
Property, plant and equipment acquired	-49 459	-33 470	-3 161	-2 139
Loans issued	-93	-114	-6	-7
Financial activities change	0	-8 703	0	-556
Loans repaid	102	254	7	16
Total investing activities	-49 229	-13 148	-3 146	-840
Financing activities				
Dividends paid	-66 000	-79 200	-4 218	-5 062
Income tax on dividends	-3 455	-3 635	-221	-232
Total financing activities	-69 455	-82 835	-4 439	-5 294
Net cash flow	-67 450	20 992	-4 311	1 342
Movement in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	342 848	182 901	21 912	11 689
Net cash flow	-67 450	20 992	-4 311	1 342
Foreign exchange gain	-153	-944	-10	-60
Cash and cash equivalents at the end of the period	275 245	202 949	17 591	12 971
incl.cash and bank accounts	134 308	88 645	8 584	5 665
marketable securities	140 936	114 304	9 007	7 305

Changes in owners` equity as of 30.09.03
unaudited

	Share capital	Reserves	EEK in thousands		
			Previous period profit	Financial year profit	Total owners equity
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
31.12.2002	132 000	13 200	390 376	193 624	729 200
Net retained earnings of 2002			193 624	-193 624	0

Dividends			-66 000		-66 000
Net profit for the financial year				97 724	97 724
30.09.2003	132 000	13 200	518 000	97 724	760 924

	Share capital	Reserves	EUR in thousands Previous period profit	Financial year profit	Total owners equity
31.12.2001	8 436	844	18 658	11 353	39 291
Net retained earnings of 2001			11 353	-11 353	
Dividends			-5 062		-5 062
Net profit for the financial year				12 375	12 375
31.12.2002	8 436	844	24 950	12 375	46 604
31.12.2002	8 436	844	24 950	12 375	46 604
Net retained earnings of 2002			12 375	-12 375	
Dividends			-4 218		-4 218
Net profit for the financial year				6 246	6 246
30.09.2003	8 436	844	33 106	6 246	48 632

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 AS Norma on September 30, 2003. 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 31.12.2002	84 448	311 062	8 382	12 113	2 426	418 431
Additions	495	20 739	884	25	4 687	26 830
Sale and written off	0	-2 544	-2 005	0	0	-4 522
Reconstruction	0	13 100	-31	-12 113	-956	0
Acquisition cost as of 30.09.2003	84 943	342 357	7 230	25	6 157	440 712
Depreciation as of 31.12.2002	-12 949	-180 090	-2 362	0	0	-195 401
Depreciation charge	-2 650	-29 503	-755	0	0	-32 908
Discount			-15			-15
Depreciation of fixed assets sold and written off	0	2 522	6	0	0	2 528
Depreciation as of 30.09.2003	-15 599	-207 071	-3 126	0	0	-225 796

Net book amount as of 31.12.2002	71 499	130 972	6 020	12 113	2 426	223 030
Net book amount as of 30.09.2003	69 344	135 288	4 104	25	6 157	214 916

2. Intangible assets

	Development	Software licenses	Total
Acquisition cost as of 31.12.02	7 343	0	7 343
Additions	227	22 402	22 485
Written-off	-138		-138
Acquisition cost 30.09.03	7 462	22 402	29 864
Accumulated amortization as of 31.12.02	-5 662	0	-5 662
Amortization change	-715	-2 400	-3 115
Written-off	138		138
Accumulated amortization as of 30.09.03	-6 239	-2 400	-8 639
Net book amount as of 31.12.02	1 711	0	1 711
Net book amount as of 30.09.03	1 223	20 002	21 225

3. Share Capital

	30.09.2003	31.12.2002
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 2002 at EEK 5 per share in 02. July 2003.

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 30.06.2003:

Autoliv AB	51,0%
Nordea Bank Finland PLC Clients Account Trading	9,5%
Skandinaviska Enskilda Banken AB Clients	9,2%
Clearstream Banking Luxembourg S.A. Clients	4,1%

4. Segment Information by Product Lines	Safety belts 01.01.03- 30.09.03	Other products 01.01.03- 30.09.03	Total 01.01.03- 30.09.03	Safety belts 01.01.02- 30.09.02	Other products 01.01.02- 30.09.02	Total 01.01.02- 30.09.02
Sales	670 954	68 637	739 591	694 924	92 432	787 356
Internal sales		(17 515)	(17 515)		(50 969)	(50 969)
Net sales	670 954	51 122	722 076	694 924	41 463	736 387
Operating profit	94 248	(342)	93 906	142 589	2 012	144 601
Assets	640 776	20 284	661 060	524 903	93 392	618 295
Unallocated assets			219 169			192 538
Total assets			880 229			810 833
Liabilities	112 673	6 631	119 304	119 758	6 752	126 510
Investments	49 119	340	49 459	33 263	207	33 470
Depreciation charge	33 473	2 550	36 023	26 547	3 531	30 078
Discount	7	8	15	0	0	0

Segments are based on the production lines of the company where the main product group is safety belts and other products (car components) have separately less than 10% of total sales. Cost are in line with the product's share 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 relations with the main product groups.

Segmets' Information by Market	Net sales 01.01.03- 30.09.03	Net sales 01.01.02- 30.09.02
Estonia	13 106	12 474
Czech Republic	4 063	5 389
Ukrainian	9 184	6 441
Russia	290 491	373 517
Sweden	382 564	311 897
Austria	0	10 258
Germany	4 684	1 404
France	5 835	5 861
Netherlands	1 197	1 582
Finland	974	2 838
Danish	198	646
USA	1 861	518
Belgium	1 988	2 140
Other countries	5 931	1 422
Total:	722 076	736 387

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

4. Bad Debt Provisions

The amount of receivables charged to expenses 01.01.03.- 30.09.03	The amount of receivables charged to expenses 01.01.02- 30.09.02
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Received from the allowance of previous years	0	-53
Reserved	0	0
Written-off provisions	304	-5
Total	304	-48

5. Earnings per Share

	30.09.2003	30.09.2002
Net profit	97 724	148 747
Average number of shares (in thousands)	13 200	13 200
Earnings per share (EPS)	7,40	11,27

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

6. Related Parties

	01.01.03-30.09.03		01.01.02-30.09.02	
	Sale to AS	Purchases from AS	Sale to AS	Purchases from AS

	Norma	Norma	Norma	Norma
Autoliv AB	290 122	379 903	227 420	301 646

Intra-company trading transactions with Autoliv companies are based on market prices.

Peep Siimon
Chairman of the Board
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