

AS Norma

Interim report for the period Q1 2004

FINANCIAL RESULTS Q1 Y2004
(unaudited)

Sales and Revenues

During the period Q1 Y2004 consolidated net sales of AS Norma totalled 223.7 MEEK (14.3 MEUR), 96% of which were generated by parent company in the amount of 215.2 MEEK (13.8 MEUR). Consolidated sales increased by 7.7% (16.1 MEEK, 1.0 MEUR) from Q1 Y2003. Sales to Russian customers increased 6.7% and to Western customers rose by 9.6% in Q1 Y2004. Sales to Autoliv was Q1 Y2004 139.4 MEEK (8.9 MEUR). The group's main fields of activity include production and sale of safety belts, car components. Exports accounted to 99% of sales revenue, 30% of production was exported to Russian customers (Q1 Y2003 31%). The number of employees at the end of the period was 862.

Use of Capital

Accounts receivable at the end Q1 Y2004 totalled 177.0 MEEK (11.3 MEUR), of which 30% related to the Russian customers. During the Q1 Y2004 volume of accounts receivable has decreased by 25.4 MEEK (1.6 MEUR), Autoliv receivables were 112.7 MEEK (7.2 MEUR). Norma's payables to Autoliv were 73.3 MEEK (4.7 MEUR). The share of accounts in arrears of total receivable was 14%. The provision for bad debts increased 16% and the reserve totalled 10.8 MEEK (0.7 MEUR). As of the Q1 Y2004, the consolidated total assets were 953.9 MEEK (61.0 MEUR), a decrease by 8.8 MEEK (0.6 MEUR), main decrease in the current assets 15.1 MEEK (1.0 MEUR). Total liabilities amounted to 138.4 MEEK (8.8 MEUR). The company has no long term liabilities. The group's owners' equity increased by 23.9 MEEK (1.5 MEUR), amounting to 815.4 MEEK (52.1 MEUR) (85% of total assets).

Investments

AS Norma invested a total of 9.6 MEEK (0.6 MEUR), to support existing production capacities and assure the future profits.

Profit and Earnings per Share

The company's consolidated unaudited net profit Q1 Y2004 was 23.9 MEEK (1.5 MEUR). Net profit has increased by 1.7 MEEK (0.1 MEUR), a 8% increase (22.1 MEEK, 1.4 MEUR Q1 Y2003). Earnings per share were 1.81 EEK (0.12 EUR) in Q1 Y2004. Q1 Y2003 1.68 EEK (0.11 EUR).

Significant Events and Changes in Business Activities

- AS Norma has The Best Supplier Award from AvtoVAZ

The Q2 Y2004 results of AS Norma will be released at July 21, 2004.

Consolidated balance sheet as of 31.03.04
unaudited

	EEK in thousands		EUR in thousands	
	31.03.04	31.12.03	31.03.04	31.12.03
Assets				
Current assets				
Cash and bank accounts	174 604	179 092	11 159	11 446
Marketable securities	129 621	120 077	8 284	7 674
Accounts receivable	176 999	202 419	11 312	12 937
Allowance for doubtful receivables	-10 815	-9 340	-691	-597
Other receivables and prepayments	111 376	119 666	7 118	7 648
Inventories	88 832	73 816	5 677	4 718
Total current assets	670 617	685 730	42 860	43 826
Long-term financial assets	16 139	5 196	1 031	332
Property, plant and equipment	245 905	249 762	15 716	15 963
Intangible assets	21 192	21 935	1 354	1 402
Total non-current assets	283 236	276 893	18 102	17 697
Total assets	953 853	962 623	60 962	61 523
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	138 443	171 090	8 848	10 935
Total current liabilities	138 443	171 090	8 848	10 935
Total liabilities	138 443	171 090	8 848	10 935
Owners' equity				
Share capital (par value)	132 000	132 000	8 436	8 436
Retained earning and reserves	659 533	531 200	42 152	33 950
Net profit	23 877	128 333	1 526	8 202
Total owners' equity	815 410	791 533	52 114	50 588
Total liabilities and owners' equity	953 853	962 623	60 962	61 523

Parent company balance sheet as of 31.03.04
unaudited

	EEK in thousands		EUR in thousands	
	31.03.04	31.12.03	31.03.04	31.12.03
Assets				
Current assets				
Cash and bank accounts	174 051	178 658	11 124	11 418
Marketable securities	129 621	120 077	8 284	7 674
Accounts receivable	182 627	206 971	11 672	13 228
Allowance for doubtful receivables	-10 815	-9 340	-691	-597
Other receivables and prepayments	105 523	117 112	6 744	7 485
Inventories	80 450	64 625	5 142	4 130
Total current assets	661 457	678 103	42 275	43 339
Long-term financial assets	35 147	23 775	2 246	1 519
Property, plant and equipment	235 663	237 668	15 062	15 190
Intangible assets	20 565	21 301	1 314	1 361
Total non-current assets	291 375	282 744	18 622	18 071
Total assets	952 832	960 847	60 897	61 409
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				

Accounts payable and accrued expenses	137 422	169 315	8 783	10 821
Total current liabilities	137 422	169 315	8 783	10 821
Total liabilities	137 422	169 315	8 783	10 821
Owners` equity				
Share capital (par value)	132 000	132 000	8 436	8 436
Retained earning and reserves	659 533	531 200	42 152	33 950
Net profit	23 877	128 333	1 526	8 202
Total owners` equity	815 410	791 533	52 114	50 588
Total liabilities and owners` equity	952 832	960 847	60 897	61 409

Consolidated income statement Q1 Y2004
unaudited

	EEK in thousands		EUR in thousands	
	01.01.04- 31.03.04	01.01.03- 31.03.03	01.01.04- 31.03.04	01.01.03- 31.03.03
Net sales	223 685	207 600	14 296	13 268
Cost of goods sold	189 141	175 325	12 088	11 205
Gross profit	34 544	32 275	2 208	2 063
Marketing expenses	1 093	3 352	70	214
Administrative and general exp.	7 444	7 172	476	458
Product development expenses	7 484	3 703	478	237
Bad debt provision	0	17	0	1
Other income	3 114	1 778	199	114
Other expenses	522	409	33	26
Operating profit	21 115	19 400	1 349	1 240
Financial income/expenses	2 762	2 744	177	175
Profit before taxes	23 877	22 144	1 526	1 415
Provision for taxes	0	8	0	1
Net profit	23 877	22 136	1 526	1 415
Earnings per share	1,81	1,68	0,12	0,11

Parent company income statement Q1 Y2004
unaudited

	EEK in thousands		EUR in thousands	
	01.01.04- 31.03.04	01.01.03- 31.03.03	01.01.04- 31.03.04	01.01.03- 31.03.03
Net sales	215 218	199 729	13 755	12 765
Cost of goods sold	183 588	168 855	11 733	10 792
Gross profit	31 630	30 874	2 022	1 973
Marketing expenses	1 093	3 259	70	208
Administrative and general exp.	6 428	5 425	411	347
Product development expenses	7 484	3 703	478	237
Bad debt provision	0	17	0	1
Other income	3 068	1 739	196	111
Other expenses	117	337	7	22
Operating profit	19 576	19 872	1 251	1 270
Financial income/expenses	4 301	2 264	275	145
Profit before taxes	23 877	22 136	1 526	1 415
Net profit	23 877	22 136	1 526	1 415
Earnings per share	1,81	1,68	0,12	0,11

Consolidated cash flows as of 31.03.04
unaudited

	EEK in thousands		EUR in thousands	
	31.03.04	31.03.03	31.03.04	31.03.03
Operating activities				
Operating profit	21 115	19 400	1 349	1 240
Profit from sale of property, plant and equipment	0	-112	0	-7
Depreciation	14 144	11 805	904	754
Property, plant and equipment write-off	0	22	0	1
Increase (-), decrease (+) in current assets	20 536	-97 153	1 312	-6 209
Increase (-), decrease (+) in current liabilities	-32 645	26 653	-2 086	1 703
Interest received and other financial income	2 272	957	145	61
Other financial expenses paid	-7	-9	0	-1
Total operating activities	25 415	-38 437	1 624	-2 457
Investing activities				
Property, plant and equipment sold	22	112	1	7
Property, plant and equipment acquired	-9 565	-31 018	-611	-1 982
Loans issued	-6	-81	0	-5
Financial activities change	-10 954	0	-700	0
Loans repaid	14	63	1	4
Total investing activities	-20 489	-30 924	-1 309	-1 976
Net cash flow	4 926	-69 361	315	-4 433
Movement in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	299 169	342 848	19 120	21 912
Net cash flow	4 926	-69 361	315	-4 433
Foreign exchange gain	131	-126	8	-8
Cash and cash equivalents at the end of the period	304 226	273 361	19 444	17 471
incl.cash and bank accounts	174 604	147 496	11 159	9 427
marketable securities	129 621	125 865	8 284	8 044

Changes in owners` equity as of 31.03.04
unaudited

	Share capital	Reserves	EEK in thousands Previous period profit	Financial year profit	Total Owners Equity
31.12.2002	132 000	13 200	390 376	193 624	729 200
Net retained earnings of 2002			193 624	-193 624	
Dividends			-66 000		-66 000

Net profit for the financial year				128 333	128 333
31.12.2003	132 000	13 200	518 000	128 333	791 533
31.12.2003	132 000	13 200	518 000	128 333	791 533
Net retained earnings of 2003			128 333	-128 333	
Net profit for the financial year				23 877	23 877
31.03.2004	132 000	13 200	646 333	23 877	815 410

	Share capital	Reserves	EUR in thousands Previous period profit	Financial year profit	Total Owners Equity
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				8 202	8 202
31.12.2003	8 436	844	33 106	8 202	50 588
31.12.2003	8 436	844	33 106	8 202	50 588
Net retained earnings of 2003			8 202	-8 202	
Net profit for the financial year				1 526	1 526
31.03.2004	8 436	844	41 308	1 526	52 114

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 March 31, 2004. 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 31.12.2003	85 891	383 037	5 391	5 167	641	480 127
Additions	180	4 922	128	21	4 237	9 488
Sale and written off	0	-27	0	0	0	-27
Reconstruction	0	5 808	0	-5 167	-641	0
Acquisition cost as of 31.03.2004	86 071	393 740	5 519	21	4 237	489 588
Depreciation as of 31.12.2003	-16 486	-211 439	-2 440	0	0	-230 365
Depreciation charge	-1 121	-11 989	-213	0	0	-13 323
Depreciation of fixed assets sold and written off	0	5	0	0	0	5
Depreciation as of 31.03.2004	-17 607	-223 423	-2 653	0	0	-243 683
Net book amount as of 31.12.2003	69 405	171 598	2 951	5 167	641	249 762
Net book amount as of 31.03.2004	68 464	170 317	2 866	21	4 237	245 905

2. Intangible assets

	Product and technology licences	Software licenses	Total
Acquisition cost as of 31.12.03	8 053	22 402	30 455
Additions	78	0	78
Acquisition cost 31.03.04	8 131	22 402	30 533
Accumulated amortization as of 31.12.03	-6 280	-2 240	-8 520
Amortization change	-261	-560	-821
Accumulated amortization as of 31.03.04	-6 541	-2 800	-9 341
Net book amount as of 31.12.03	1 773	20 162	21 935
Net book amount as of 31.03.04	1 590	19 602	21 192

3. Share Capital

	31.03.2004	31.03.2003
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 2003 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 31.03.2004:

Autoliv AB	51.0%
Nordea Bank Finland PLC Clients Account Trading	9.4%
Skandinaviska Enskilda Banken Ab Clients	6.0%
Clearstream Banking Luxembourg S.A. Clients	3.6%

4. Segment Information by Product Lines	Safety belts 01.01.04- 31.03.04	Other products 01.01.04- 31.03.04	Total 01.01.04- 31.03.04	Safety belts 01.01.03- 31.03.03	Other products 01.01.03- 31.03.03	Total 01.01.03- 31.03.03
Sales	208 027	21 235	229 262	200 917	12 555	213 472
Internal sales		(5 577)	(5 577)		(5 872)	(5 872)
Net sales	208 027	15 658	223 685	200 917	6 683	207 600
Operating profit	20 878	237	21 115	19 303	97	19 400
Assets	591 901	21 005	612 906	673 190	23 093	696 283
Unallocated assets			340 947			204 098
Total assets			953 853			900 381
Liabilities	134 021	4 422	138 443	143 204	5 841	149 045
Investments	8 679	886	9 565	30 802	216	31 018
Depreciation charge	12 834	1 310	14 144	11 425	380	11 805

The primary segment form contains the business segments of the group while the secondary segment form contains the geographical segment group.

SEgments are based on the production lines of the company where the main product group is safety belts and other products (car components, metal products) have separately less than 10% of total sales. The consistence of other products in segments has changed due to finishing the activities in real-estate-maintenance. 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	Net sales
	01.01.04- 31.03.04	01.01.03- 31.03.03
Estonia	2 155	3 861
Czech Republic	1 363	1 329
Russia	67 109	62 868
Ukrainian	1 483	2 611
Sweden	137 931	128 894
Italian	1 574	728
Germany	3 264	2 281
France	5 397	1 701
Netherlands	522	216
Finland	485	209
USA	503	792
Belgium	807	398
Other countries	1 092	1 712
Total:	223 685	207 600

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

4. Earnings per Share	31.03.2004	30.03.2003
Net profit	23 877	22 136
Average number of shares (in thousands)	13 200	13 200
Earnings per share (EPS)	1 ,81	1 ,68

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

5. Related Parties	01.01.04-31.03.04		01.01.03-31.03.03	
	Sale to AS Norma	Purchases from AS Norma	Sale to AS Norma	Purchases from AS Norma
Autoliv AB	93 455	139 402	87 824	126 570

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