

AS Norma

Interim report for the period Q4 and Y2004
(unaudited)

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FINANCIAL RESULTS Q4 and Y2004
(unaudited)

Sales and Revenues

During the period Y2004 consolidated net sales of AS Norma totalled 986.3 MEEK (63.0 MEUR), of which those of the parent company were 964.3 MEEK (61.6 MEUR). Consolidated sales decreased by 1.3% (13.0 MEEK, 0.8 MEUR) from Y2003.

Q4 Y2004 consolidated sales totalled 271.0 MEEK (17.3 MEUR) and sales decreased 2.2%

Sales to Russian customers decreased 14,9% and to western customers rose by 8.2% in Y2004.

Sales to Russian customers decreased 12.9% in Q4 Y2004 and to western customers rose by 2.8%.

Sales to Autoliv were 579.9 MEEK (37.0 MEUR) in Y2004.

The group's main fields of activity include production and sale of safety belts, car components. Exports accounted to 99% of sales revenue, 34% of production was exported to Russian customers (Y2003 40%). The number of employees at the end of the period was 874.

Use of Capital

Accounts receivable at the end Y2004 totalled 171.3 MEEK (10.9 MEUR), of which 37% related to the Russian customers.

During the Y2004 volume of accounts receivable has decreased by 31.1 MEEK (2.0 MEUR) and the provision for bad debts was cut down by 47% (4.4 MEEK, 0.3 MEUR). The reserve totalled 4.9 MEEK (0.3 MEUR).

The share of accounts in arrears of total receivable was 10%.

Autoliv receivables were 96.9 MEEK (6.2 MEUR).

Norma's payables to Autoliv were 36.3 MEEK (2.3 MEUR).

As of the Y2004, the consolidated total assets were 950.6 MEEK (60.8 MEUR), a decrease 11.9 MEEK (0.8 MEUR), main decrease in the current assets 7.4 MEEK (0.5 MEUR). Total liabilities amounted to 120.1 MEEK (7.7 MEUR).

The company has no long term liabilities.

The group's owners' equity increased by 39.0 MEEK (2.5 MEUR), amounting to 830.5 MEEK (53.1 MEUR) (87% of total assets).

Investments

AS Norma invested a total of 47.2 MEEK (3.0 MEUR), to support existing production capacities and assure the future profits.

Product development expenses

Increase in product development expenses is related to the development of safety system for the new car family of AvtoVAZ (Y2004 18.2 MEEK 1.2 MEUR, Y2003 1.2 MEEK, 0.1 MEUR). Project is financed by client.

Profit and Earnings per Share

The company's consolidated unaudited net profit Y2004 was 105.0 MEEK (6.7 MEUR). Net profit has decreased by 23.3 MEEK (1.5 MEUR), a 18% decrease (128.3 MEEK, 8.2 MEUR Y2003).

Dividends (66.0 MEEK, 4.2 MEUR) paid out for 2003 in Q3 Y2004 and related taxes are 18.5 MEEK (1.2 MEUR).

In Y2003 income tax on dividends was 3.4 MEEK (0.2 MEUR)

Profit before tax Y2004 was 123.6 MEEK (7.9 MEUR) and decrease 6% (131.8 MEEK, 8.4 MEUR Y2003).

Net profit Q4 Y2004 was 29.5 MEEK (1.9 MEUR) compared to 30.6 MEEK (1.9 MEUR) in Q4 Y2003

Earnings per share were 7.95 EEK (0.51 EUR) in Y2004.


Y2003 earnings per share were 9.72 EEK (0.62 EUR).

The Y2005 results of AS Norma will be released at April 20, 2005, July 26, 2005 and October 19, 2005.


Management Board's Confirmation on the Interim Financial Statements

The Management Board confirms the completeness and correctness of AS Norma Q4 and Y2004 interim statements:


- 1) the interim financial statements have been prepared in accordance with International Financial Reporting Standards;
- 2) the interim financial statements give a true and fair view of the financial position and the results of operations of AS Norma parent company and the group;
- 3) AS Norma and its group companies are going concerns.

Peep Siimon 


Chairman of the Management Board

Peeter Tibbo 


Member of the Management Board

Ivar Aas 


Member of the Management Board

Ülle Jõgi 


Member of the Management Board

Garri Krieger 

Member of the Management Board

Kaido Salurand 

Member of the Management Board

Stig Carlsson 

Member of the Management Board

Tallinn, 17. February 2005

Consolidated balance sheet as of 31.12.04
unaudited

	EEK in thousands		EUR in thousands	
	31.12.04	31.12.03	31.12.04	31.12.03
Assets				
Current assets				
Cash and bank accounts	319 043	179 092	20 391	11 446
Available-for-sale investments	81 206	73 219	5 190	4 680
Held-to-maturity investments	6 483	46 858	414	2 995
Accounts receivable	171 342	202 419	10 951	12 937
Allowance for doubtful receivables	-4 948	-9 340	-316	-597
Other receivables and prepayments	12 250	90 438	783	5 780
Prepaid taxes	6 223	29 228	398	1 868
Inventories	86 758	73 816	5 545	4 718
Total current assets	678 357	685 730	43 355	43 826
Non-current assets				
Long-term financial assets	12 088	5 196	773	332
Property, plant and equipment	241 287	249 762	15 421	15 963
Intangible assets	18 920	21 935	1 209	1 402
Total non-current assets	272 295	276 893	17 403	17 697
Total assets	950 652	962 623	60 758	61 523
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	114 795	165 664	7 337	10 588
Taxes payable	5 336	5 426	341	347
Total current liabilities	120 131	171 090	7 678	10 935
Total liabilities	120 131	171 090	7 678	10 935
Owners' equity				
Share capital (par value)	132 000	132 000	8 436	8 436
Statutory reserves	13 200	13 200	844	844
Retained earnings	580 333	518 000	37 090	33 106
Net profit	104 988	128 333	6 710	8 202
Total owners' equity	830 521	791 533	53 080	50 588
Total liabilities and owners' equity	950 652	962 624	60 758	61 523

Parent company balance sheet as of 31.12.04
unaudited

	EEK in thousands		EUR in thousands	
	31.12.04	31.12.03	31.12.04	31.12.03
Assets				
Current assets				
Cash and bank accounts	318 668	178 658	20 367	11 418
Available-for-sale investments	81 206	73 219	5 190	4 680
Held-to-maturity investments	4 000	46 858	256	2 995
Accounts receivable	178 155	206 971	11 386	13 228
Allowance for doubtful receivables	-4 948	-9 340	-316	-597
Other receivables and prepayments	12 161	90 171	777	5 763
Prepaid taxes	4 628	26 941	296	1 722
Inventories	79 343	64 625	5 071	4 130

Total current assets	673 213	678 103	43 026	43 339
Non-current assets				
Long-term financial assets	30 831	23 775	1 970	1 519
Property, plant and equipment	226 953	237 668	14 505	15 190
Intangible assets	18 411	21 301	1 177	1 361
Total non-current assets	276 195	282 744	17 652	18 071
Total assets	949 408	960 847	60 678	61 409
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	114 444	164 629	7 314	10 522
Taxes payable	4 443	4 686	284	299
Total current liabilities	118 887	169 315	7 598	10 821
Total liabilities	118 887	169 315	7 598	10 821
Owners' equity				
Share capital (par value)	132 000	132 000	8 436	8 436
Statutory reserves	13 200	13 200	844	844
Retained earning	580 333	518 000	37 090	33 106
Net profit	104 988	128 333	6 710	8 202
Total owners' equity	830 521	791 533	53 080	50 588
Total liabilities and owners' equity	949 408	960 847	60 678	61 409

Consolidated income statement Q4 and Y2004 unaudited

	EEK in thousands			
	01.10.04- 31.12.04	01.01.04- 31.12.04	01.10.03- 31.12.03	01.01.03- 31.12.03
Net sales	271 047	986 297	277 237	999 314
Cost of goods sold	220 892	807 248	231 080	812 640
Gross profit	50 155	179 049	46 157	186 674
Marketing expenses	8 429	12 755	3 990	16 528
Administrative and general expenses	7 051	25 035	6 861	26 975
Product development expenses	9 242	31 931	5 195	19 690
Bad debt provision	469	-2 975	25	329
Other income	2 686	4 203	112	2 543
Other expenses	896	2 569	2 348	3 939
Operating profit	26 754	113 937	27 850	121 756
Financial income/expenses	2 614	9 691	2 757	10 032
Profit before taxes	29 368	123 628	30 607	131 788
Provision for taxes	-170	18 640	-2	3 455
Net profit	29 538	104 988	30 609	128 333
Earnings per share in kroons	2,24	7,95	2,32	9,72

Consolidated income statement Q4 and Y2004 unaudited

	EUR in thousands			
	01.10.04- 31.12.04	01.01.04- 31.12.04	01.10.03- 31.12.03	01.01.03- 31.12.03
Net sales	17 323	63 036	17 719	63 868
Cost of goods sold	14 118	51 593	14 769	51 937
Gross profit	3 205	11 443	2 950	11 931

Marketing expenses	539	815	255	1 056
Administrative and general exp.	451	1 600	438	1 724
Product development expense	591	2 041	332	1 258
Bad debt provision	30	-190	2	21
Other income	172	269	7	163
Other expenses	57	164	150	252
Operating profit	1 710	7 282	1 780	7 782
Financial income/expenses	167	619	176	641
Profit before taxes	1 877	7 901	1 956	8 423
Provision for taxes	-11	1 191	0	221
Net profit	1 888	6 710	1 956	8 202
Earnings per share in EEK	0,14	0,51	0,15	0,62

Parent company income statement Q4 and Y2004
unaudited

	EEK in thousands			
	01.10.04- 31.12.04	01.01.04- 31.12.04	01.10.03- 31.12.03	01.01.03- 31.12.03
Net sales	264 409	964 325	275 526	978 970
Cost of goods sold	214 320	792 947	230 207	800 415
Gross profit	50 089	171 378	45 319	178 555
Marketing expenses	8 429	12 755	3 900	16 192
Administrative and general exp.	6 469	21 356	6 352	21 068
Product development expenses	9 242	31 931	5 195	19 690
Bad debt provision	-834	-4 278	22	326
Other income	726	5 633	986	7 829
Other expenses	849	2 159	2 088	3 776
Operating profit	26 660	113 088	28 748	125 333
Financial income/expenses	2 878	10 411	1 861	6 455
Profit before taxes	29 538	123 499	30 609	131 788
Provision for taxes	0	18 511	0	3 455
Net profit	29 538	104 988	30 609	128 333
Earnings per share in EEK	2,24	7,95	2,32	9,72

Parent company income statement Q4 and Y2004
unaudited

	EUR in thousands			
	01.10.04- 31.12.04	01.01.04- 31.12.04	01.10.03- 31.12.03	01.01.03- 31.12.03
Net sales	16 899	61 632	17 609	62 568
Cost of goods sold	13 698	50 679	14 713	51 156
Gross profit	3 201	10 953	2 896	11 412
Marketing expenses	539	815	249	1 035
Administrative and general exp.	413	1 365	406	1 346
Product development expenses	591	2 041	332	1 258
Bad debt provision	-53	-273	1	21
Other income	46	360	63	500
Other expenses	54	138	133	241
Operating profit	1 704	7 228	1 837	8 010

Financial income/expenses	184	665	119	413
Profit before taxes	1 888	7 893	1 956	8 423
Provision for taxes	0	1 183	0	221
Net profit	1 888	6 710	1 956	8 202
Earnings per share in EEK	0,14	0,51	0,15	0,62

Consolidated cash flows as of 31.12.04 unaudited

	EEK in thousands		EUR in thousands	
	31.12.04	31.12.03	31.12.04	31.12.03
Operating profit	113 937	121 756	7 282	7 782
Profit from sale of property, plant and equipment	-1 145	-253	-73	-16
Depreciation	57 641	47 637	3 684	3 045
Property, plant and equipment write-off	435	1 776	28	114
Discount property	550	15	35	1
Increase (-), decrease (+) in current assets	34 142	-39 777	2 182	-2 542
Change in long-term receivables related to operating activities	0	-500	0	-32
Increase (+), decrease (-) in current liabilities	-50 959	48 671	-3 257	3 111
Other financial expenses paid	-8	-11	-1	-1
Income tax paid	-128	0	-8	0
Total	154 465	179 314	9 872	11 460
Investing activities				
Property, plant and equipment sold	1 208	253	77	16
Property, plant and equipment acquired	-47 200	-90 098	-3 017	-5 758
Subsidiary sold	0	116	0	7
Loans issued	-62	-128	-4	-8
Financial investments acquired	-6 953	0	-444	0
Financial investments sold	42 858	5 469	2 739	350
Loans repaid	48	119	3	8
Interest received and other financial income	10 241	10 098	655	645
Total	140	-74 171	9	-4 740
Financing activities				
Dividends paid	-66 000	-66 000	-4 218	-4 218
Income tax on dividends	-18 511	-3 455	-1 183	-221
Financing activities total	-84 511	-69 455	-5 401	-4 439
Net cash flow	70 094	35 687	4 480	2 281
Movement in cash and cash equivalents				
Cash and cash equivalents at the beginning of the year:	330 544	295 224	21 126	18 868
Net cash flow	70 094	35 687	4 480	2 281
Foreign exchange gain	-389	-371	-25	-24
Cash and cash equivalents at the end of period:	400 249	330 540	25 581	21 125
incl.cash and bank accounts	319 043	179 092	20 391	11 446
marketable securities	81 206	73 219	5 190	4 680
short-term loan with Autoliv group company	0	78 233	0	5 000

Changes in owners` equity as of 31.12.04
unaudited

	EEK in thousands				
	Share capital	Reserves	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	193 624
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				104 988	104 988
31.12.2004	132 000	13 200	580 333	104 988	830 521
	EUR in thousands				
	Share capital	Reserves	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	12 375
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				6 710	6 710
31.12.2004	8 436	844	37 090	6 710	53 080

Notes to the Consolidated Interim 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 December 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 31.12.03	85 891	383 037	5 391	5 167	641	480 127
Additions	5 868	30 471	511	1 994	8 122	46 966
Sale and dismantling	-44	-10 215	-39	-	-	-10 298
Reclassification	-	5 754	54	-5 167	-641	-
Acquisition cost as of 31.12.04	91 715	409 047	5 917	1 994	8 122	516 795
Accumulated depr. as of 31.12.03	-16 486	-211 439	-2 440	-	-	-230 365
Depreciation charge	-4 549	-48 954	-889	-	-	-54 392
Write-down	-	-550	-	-	-	-550
Accumulated depreciation of sold and dismantled fixed assets	41	9 727	31	-	-	9 799
Accumulated depr. as of 31.12.04	-20 994	-251 216	-3 298	-	-	-275 508
Net book value 31.12.03	69 405	171 598	2 951	5 167	641	249 762
Net book value 31.12.04	70 721	157 831	2 619	1 994	8 122	241 287

2. Intangible assets

	Product and technology licences	Software licenses	Total
Acquisition cost 31.12.03	22 402	8 053	30 455
Additions	-	234	234
Acquisition cost 31.12.04	22 402	8 287	30 689
Accumulated amortisation 31.12.03	-2 240	-6 280	-8 520
Amortisation for the year	-2 240	-1 009	-3 249
Accumulated amortisation 31.12.04	-4 480	-7 289	-11 769
Net book value 31.12.03	20 162	1 773	21 935
Net book value 31.12.04	17 922	998	18 920

3. Share Capital

	31.12.2004	31.12.2003
Share capital par value (EEK 10 per share)	132 000	132 000

AS Norma has issued 13,2 common shares with one vote per share. Dividends paid out for 2003 were 66 million kroons or 5 kroons 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.

The authorised share capital for the company is 528 000 thousand kroons.

AS Norma shareholders with participation over 3% as of 31.12.04:

Autoliv AB	51,0%
ING LUXEMBOURG S.A.	7,8%
Skandinaviska Enskilda Banken AB clients	5,1%
Clearstream Banking Luxembourg S.A. clients	3,3%

4. Segment Information by Product Lines

	Safety belts 01.01.04- 31.12.04	Other products 01.01.04- 31.12.04	Total 01.01.04- 31.12.04	Safety belts 01.01.03- 31.12.03	Other products 01.01.03- 31.12.03	Total 01.01.03- 31.12.03
Sales	881 271	124 052	1 005 323	925 314	102 256	1 027 570
Internal sales		(19 026)	(19 026)		(28 256)	(28 256)
Consolidated sales	881 271	105 026	986 297	925 314	74 000	999 314
Operating profit for the segment	113 875	61	113 936	121 118	638	121 756
Segment assets	631 452	19 987	651 439	639 234	20 292	659 526
Unallocated assets			299 213			303 097
Total assets			950 652			962 623
Segment liabilities	114 524	5 607	120 131	165 234	5 856	171 090
Capital expenditures	40 862	6 338	47 200	91 098	7 285	98 383
Depreciation and amortisation charge	51 503	6 138	57 641	42 897	4 740	47 637
Write-down on fixed assets	154	396	550		15	15

The primary reporting format is business (product lines) segment and the secondary reporting format is the geographical segment.

Segments are based on the production of the company where main product group is safety belt production. Other products and services (car components, metal products) account for less than 10% of total sales.

Expenses are allocated in proportion to product line's share from sales. Assets (except shares, other securities and loans), liabilities and investments are divided by their relation to the segments. Depreciation is allocated according to the portion of fixed assets to the segment. Write-down on fixed assets is allocated based on the particular segment an asset is related to.

Segments' Information by Market

	Net sales 01.01.04-30.09.04	Net sales 01.01.03-30.09.03
Sweden	558 920	545 443
Russia	330 377	388 176
Germany	25 165	9 807
France	24 302	9 185
Estonia	12 883	16 923

Ukraine	8 807	9 464
Czech Republic	6 340	5 655
Polish	3 273	2 741
Belgium	3 114	2 705
Italy	3 179	1 870
USA	3 011	1 867
Great Britain	2 565	1 008
Spain	1 615	1 099
Netherlands	1 033	1 422
Finland	904	1 344
Denmark	115	377
Other countries	694	228
Total	986 297	999 314

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

5. Earnings per Share	2004	2003
Net profit	104 988	128 333
Average number of shares (in thousands)	13 200	13 200
Earnings per share (EPS)	7,95	9,72

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

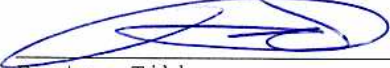
6. Related Parties	2004	2003
Sales to Norma AS by Autoliv Group	335 321	423 937
Purchases from Norma AS by Autoliv Group	579 925	545 020
Insurance premium for product liability Autoliv Group	362	483
Sales to Norma AS by AS Tööriistavabrik	18 936	18 810
Purchases from Norma AS by AS Tööriistavabrik	2 910	2 990
Purchases from Norma AS by AS Norma-Osvar	32 758	35 760
Sales to Norma by Law-office Tark &Ko	76	49
	31.12.2004	31.12.2003
Receivable from Autoliv group companies	96 952	124 925
Liability to Autoliv group companies	36 354	97 380
Short-term loan to Autoliv Autosicherheitst GmbH	0	78 233
Short-term deposit to Autoliv AB treasury	212 950	103 651
Receivable: AS Tööriistavabrik	1 891	2 850
AS Norma-Osvar	13 517	17 005
Liability: AS Tööriistavabrik	4 363	4 143
AS Norma-Osvar	47	77

Signatures of the Management Board to the Q4 and Y2004 Interim Report

Q4 and Y2004 Interim Report of AS Norma which is approved by the Management Board, signed on 17. February 2005:



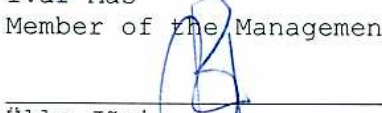
Peep Siimon
Chairman of the Management Board



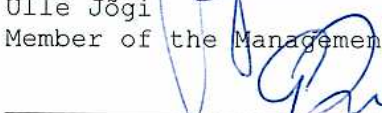
Peeter Tibbo
Member of the Management Board



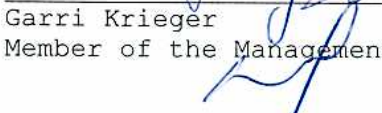
Ivar Aas
Member of the Management Board



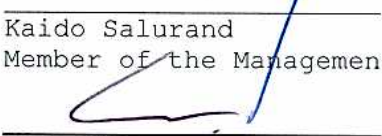
Ülle Jõgi
Member of the Management Board



Garri Krieger
Member of the Management Board



Kaido Salurand
Member of the Management Board



Stig Carlsson
Member of the Management Board