

AS Norma

Interim report for the period Q1 Y2005

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MANAGEMENT REPORT Q1 Y2005

General information for AS Norma

Today, AS Norma is a leading supplier of car safety systems for automobile factories in Russia and the supplier of safety belts for several Western automobile groups. The shares of AS Norma are listed in the Main List at Tallinn Stock Exchange.

The main operations of AS Norma are the production of safety systems and details for automobiles, their sale and the development of projects relating to the main operations. The technologies used for the main operations are metalworking, welding and galvanic covering of details.

In Q1 Y2005, the AS Norma Group consisted of AS Norma and two wholly-owned subsidiaries. At the end of Q1 Y2005, the Group employed 873 people. AS Norma is located at Laki tn. 14, Tallinn, Republic of Estonia.

Important financial data Q1 Y2005

In millions of EUR, except for shares and amounts per share

	Group			AS Norma (parent company)		
	Q1Y2005	Q1Y2004	Change %	Q1Y2005	Q1Y2004	Change %
Net sales	15.3	14.3	7.4	14.8	13.7	8.0
Operating profit	1.6	1.3	22.6	1.6	1.2	25.6
Corporate income tax	0	0		0	0	
Net profit	1.8	1.5	19.7	1.7	1.4	22.1
Assets	64.3	60.7	5.9	63.5	60.3	5.4
Equity	54.9	53.1	3.4	54.4	52.7	3.3
Share capital	8.4	8.4		8.4	8.4	
Number of employees	873	862	1,3	802	782	2,6
Number of shares	13.2	13.2		13.2	13.2	
Earnings per share	0.14	0.12	19.9	0.13	0.11	21.9

Operating activities of AS Norma in Q1 Y 2005

1. Sales Revenue

The sales revenue of the AS Norma Group in Q1 2005 was 15.3 MEUR (240 MEEK), which is 7% more than in same period of 2004. Safety belts and their components made up 89% of the sales revenue. The consolidated sales of the subsidiaries were 0.8 MEUR (12 MEEK). The Group exported 98.5% of its production, 62% of it to Sweden and 28% of it to Russia (in Q1 2004 resp. 99%, 62% and 30%).

Sales to Russian customers decreased 2% and to Western customers rose by 11% in Q1 Y2005. Sales to Autoliv were in Q1 Y2005 9.8 MEUR (154 MEEK), increase in one year 1.0 MEUR (15 MEEK) or 10%. Safety belts to Autoliv made up 90% and components of safety belts 10% of the sales.

2. Profitability of operations

	Group			AS Norma (parent company)		
	Q1Y2005	Q1Y2004	Change %	Q1Y2005	Q1Y2004	Change %
Net sales	15.3	14.3	7.4	14.8	13.7	8.0
Cost of goods sold	12.8	12.1	6.0	12.5	11.7	6.1
Period expenses	0.9	0.9	0	0.8	0.8	0
Operating profit	1.6	1.3	22.6	1.5	1.2	25.6
Profit before tax	1.8	1.5	19.7	1.7	1.4	22.2
Net profit	1.8	1.5	19.7	1.7	1.4	22.2
Net profit margin (%)	11.9	10.7	11.2	11.7	10.3	13.6

The net profit of the Group was 1.8 MEUR (28.6 MEEK) in Q1 Y2005. Profit before tax increased by 20%. The net margin increased from 10.7 percent to 11.9 percent.

Net sales increased by 7.4% in Q1 Y2005, the cost of goods sold increased by 6%. Period expenses remained at same level, although there were transport costs reclassified for 0,1 MEUR (1,7 MEEK) to marketing costs which last year in same period were recorded as cost of good sold. Cost reduction was achieved in general administration and development areas. Period expenses amounted 6.3% from sales and decreased by 1%. The Group's operating profit increased by 22.6%.

The percentage of cost of goods sold is stable in the Group's structure of income and expenses (85% of net sales in Q1 2004, 84% in Q1 2005), including the cost of raw materials and materials which decreased by 0.6% depreciation which increased by 7%, wages and salaries which increased by 8% i.e. 0.14 MEUR (2.3 MEEK) as compared to same period of 2004. The price increase of raw materials especially that of steel in 2004 also led to an increase of AS Norma's expenses. At the same that the cost of components purchased for the assembly of safety belts for Autoliv decreased because of the growing volume of the production in-house of the most important component of safety belts, i.e. the retractor, which previously were imported.

Of the net sales, 97% or 15 MEUR (232 MEEK) came from the parent, the increase 1.0 MEUR (17 MEEK) as compared to the same period of previous year. The operating and profit of the parent increased by 22%, amounting to 1.2 (25 MEEK) and 1.4 MEUR (27 MEEK), respectively.

The number of employees was 873 at the Group at the end of Q1 Y2005, which is 11 employees more than the year before, the number of employees at the parent company was 802 at the end of the period.

3. Liquidity management and use of capital

The Group's equity increased by 1.9 MEUR (29 MEEK) or 3.4 %, amounting to 55 MEUR (859 MEEK) at the end of Q1 Y2005. The equity to assets ratio was 85% (87% at the end of 2004). The distributable shareholders' equity was 45.2 MEUR (707 MEEK).

The percentage of cash and liquid securities was 41% of total assets at the end of Q1 Y2005. Net current assets amounted to 10 MEUR (158 MEEK), non-current assets to 15.6 MEUR (286 MEEK) as at 31.03.2005, The Group has no need for external financing.

AS Norma maintained its traditionally conservative stance on liquidity management and making financial investments in 2004. In addition to deposits as well as the units of money market and interest funds of different length of maturities of the Estonian kroon and the Euro at the Estonian banks, cash was also deposited for short term at the Financial Markets Division of Autoliv AB which enabled the company to invest cash short-term at a higher rate than that offered by deposits in the market.

4. Assets

The Group's assets totalled 64.4 MEUR (1007 MEEK) at the end of the reporting period, being 3.6 MEUR (56 MEEK) higher than at the end of 2004. Current assets increased by 0.2.7 MEUR (43 MEEK), non-current assets by 0.8 MEUR (13 MEEK). Trade receivables were 19 MEUR (298 MEEK) at the end of the period, incl. 7.3 MEUR (115 MEEK) from the undertakings belonging to the Autoliv Group. In its turn, AS Norma had a payable of 2.7 MEUR (43 MEEK) to the undertakings of the same Group. Trade receivables increased by 1.7 MEUR as compared to the previous period. The reserve set up for the coverage of doubtful receivables was at same level, 0.31 million euros (4,9 MEEK). The share of accounts in arrears of total receivable was 10%.

The Group's inventories were 6.2 MEUR (97 MEEK) at the end of the reporting period, i.e. 0.6 MEUR (10 MEEK) higher than at the beginning of the period, being 10% of assets. Raw materials and materials (components) constituted 52%, work-in-progress 20% and finished goods 28% of the inventories. As compared to 2004, the finished goods increased the most, from 1.2 MEUR (18 MEEK) to 1.7 MEUR (27 MEEK).

The Group's non-current assets were 18 MEUR (286 MEEK) at the end of the period, an increase of 0.8 MEUR (13 MEEK), constituting 28% of assets. Property, plant and equipment increased by 0.9 MEUR (14 MEEK) to 16.3 MEUR (255 MEEK), i.e. 25% of the Group's assets. 1,9 MEUR (29 MEEK) was invested to Property, plant and equipment, incl. 1,7 MEUR (26 MEEK) by parent company. In 2004 during first three month only 0,6 MEUR (10 MEEK) had been invested into PP&E.

5. Subsidiaries

In Q1 Y2005, the AS Norma Group consisted of two subsidiaries (AS Tööriistavabrik, Norma-Osvar ZAO).

AS Tööriistavabrik engages in the design, production and repair of jigs and dies as well as plastic die-casting moulds.. The net sales of AS Tööriistavabrik were 0.5 MEUR (7.4 MEEK), consolidated sales were 0.3 MEUR (4.8 MEEK).

The net sales of the subsidiary Norma-Osvar ZAO located in Russia were 0.4 MEUR (6,8 MEEK). The consolidated sales were 0.4 MEUR.

6. Stock market and dividends

AS Norma has issued 13.2 million ordinary shares, each with one voting right. For the operating activities of 2004, dividends in the amount of 4.2 MEUR or 0.32 EUR per share will be distributed in 2005.

The shares of AS Norma are listed in the Main List of Tallinn Stock Exchange, its shares are additionally traded at the stock exchanges of Frankfurt, Berlin and Munich.

AS Norma shareholders with the participation of over 3% as at 31.03.2005:

Autoliv AB	51.0%
ING LUXEMBOURG S.A.	7.4%
Clients of Skandinaviska Enskilda Banken AB	6.0%
Clients of Clearstream Banking Luxembourg S.A.	3.2%

At the end of the reporting period (31.03.2005), the closing price of a share of AS Norma at Tallinn Stock Exchange was 7.5 EUR.

Management Board's Confirmation on the Interim Financial Statements

The Management Board confirms the completeness and correctness of AS Norma Q1 Y2005 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, 18 May 2005

Consolidated balance sheet as of 31.03.05

unaudited

	EEK in thousands		EUR in thousands	
	31.03.05	31.12.04	31.03.05	31.12.04
Assets				
Current assets				
Cash and bank accounts	315 864	319 043	20 187	20 391
Available-for-sale investments	93 680	81 206	5 987	5 190
Held-to-maturity investments	5 952	6 483	380	414
Accounts receivable	198 058	171 342	12 658	10 951
Allowance for doubtful receivables	-4 950	-4 948	-316	-316
Other receivables and prepayments	11 118	12 250	711	783
Prepaid taxes	4 622	6 223	295	398
Inventories	96 841	86 758	6 189	5 545
Total current assets	721 185	678 357	46 092	43 355
Non-current assets				
Long-term financial assets	11 978	12 088	766	773
Property, plant and equipment	255 475	241 287	16 328	15 421
Intangible assets	18 218	18 920	1 164	1 209
Total non-current assets	285 671	272 295	18 258	17 403
Total assets	1 006 856	950 652	64 350	60 758
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	144 139	114 795	9 212	7 337
Taxes payable	3 612	5 336	231	341
Total current liabilities	147 751	120 131	9 443	7 678
Total liabilities	147 751	120 131	9 443	7 678
Owners' equity				
Share capital (par value)	132 000	132 000	8 436	8 436
Statutory reserves	13 200	13 200	844	844
Retained earning	685 321	580 333	43 800	37 090
Net profit	28 584	104 988	1 827	6 710
Total owners' equity	859 105	830 521	54 907	53 080
Total liabilities and owners' equity	1 006 856	950 652	64 350	60 758

Parent company balance sheet as of 31.03.05

unaudited

	EEK in thousands		31.12.04 as published earlier
	31.03.05	31.12.04 adjusted according to IFRS 3	
Assets			
Current assets			
Cash and bank accounts	315 362	318 668	318 668
Available-for-sale investments	93 680	81 206	81 206
Held-to-maturity investments	4 000	4 000	4 000

Accounts receivable	201 703	178 155	178 155
Allowance for doubtful receivables	-4 950	-4 948	-4 948
Other receivables and prepayments	10 488	12 928	12 161
Prepaid taxes	3 469	4 628	4 628
Inventories	89 287	79 343	79 343
Total current assets	713 039	673 980	673 213
Non-current assets			
Long-term financial assets	24 094	24 204	30 831
Property, plant and equipment	239 343	226 953	226 953
Intangible assets	17 786	18 411	18 411
Total non-current assets	281 223	269 568	276 195
Total assets	994 262	943 548	949 408
Liabilities and shareholders' equity			
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	139 533	114 444	114 444
Taxes payable	2 815	4 443	4 443
Total current liabilities	142 348	118 887	118 887
Total liabilities	142 348	118 887	118 887
Owners' equity			
Share capital (par value)	132 000	132 000	132 000
Statutory reserves	13 200	13 200	13 200
Retained earning	679 461	575 271	580 333
Net profit	27 253	104 190	104 988
Total owners' equity	851 914	824 661	830 521
Total liabilities and owners' equity	994 262	943 548	949 408

Parent company balance sheet as of 31.03.05
unaudited

	EUR in thousands		
	31.03.05	31.12.04 adjusted according to IFRS 3	31.12.04 as published earlier
Assets			
Current assets			
Cash and bank accounts	20 155	20 367	20 367
Available-for-sale investments	5 987	5 190	5 190
Held-to-maturity investments	256	256	256
Accounts receivable	12 891	11 386	11 386
Allowance for doubtful receivables	-316	-316	-316
Other receivables and prepayments	670	826	777
Prepaid taxes	222	296	296

Inventories	5 706	5 071	5 071
Total current assets	45 571	43 075	43 026
Non-current assets			
Long-term financial assets	1 540	1 547	1 970
Property, plant and equipment	15 297	14 505	14 505
Intangible assets	1 137	1 177	1 177
Total non-current assets	17 973	17 229	17 652
Total assets	63 545	60 304	60 678
Liabilities and shareholders' equity			
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	8 918	7 314	7 314
Taxes payable	180	284	284
Total current liabilities	9 098	7 598	7 598
Total liabilities	9 098	7 598	7 598
Owners' equity			
Share capital (par value)	8 436	8 436	8 436
Statutory reserves	844	844	844
Retained earning	43 425	36 767	37 090
Net profit	1 742	6 659	6 710
Total owners' equity	54 447	52 705	53 080
Total liabilities and owners' equity	63 545	60 304	60 678

Consolidated income statement Q1 Y2005

unaudited

	EEK in thousands		EUR in thousands	
	01.01.05- 31.03.05	01.01.04- 31.03.04	01.01.05- 31.03.05	01.01.04- 31.03.04
Net sales	240 198	223 685	15 351	14 296
Cost of goods sold	200 647	189 141	12 824	12 088
Gross profit	39 551	34 544	2 528	2 208
Marketing expenses*	3 428	1 093	219	70
Administrative and general exp.	5 271	7 444	337	476
Product development expenses	6 426	7 484	411	478
Bad debt provision	2	0	0	0
Other income	2 161	3 114	138	199
Other expenses	700	522	45	33
Operating profit	25 885	21 115	1 654	1 349
Financial income/expenses	2 699	2 762	172	177
Profit before taxes	28 584	23 877	1 827	1 526
Provision for taxes	0	0	0	0
Net profit	28 584	23 877	1 827	1 526
Earnings per share	2,17	1,81	0,14	0,12

Parent company income statement Q1 Y2005

unaudited

EEK in thousands

01.01.05- 31.03.05	01.01.04- 31.03.04	01.01.04- 31.03.04
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		adjusted according to IFRS 3	as published earlier
Net sales	232 464	215 218	215 218
Cost of goods sold	195 446	183 588	183 588
Gross profit	37 018	31 630	31 630
Marketing expenses*	3 428	1 093	1 093
Administrative and general exp.	5 075	6 428	6 428
Product development expenses	6 426	7 484	7 484
Bad debt provision	2	0	0
Other income	2 824	3 068	3 068
Other expenses	322	117	117
Operating profit	24 589	19 576	19 576
Financial income/expenses	2 664	2 743	4 301
Profit before taxes	27 253	22 319	23 877
Net profit	27 253	22 319	23 877
Earnings per share	2,06	1,69	1,81

Parent company income statement Q1 Y2005

unaudited

EUR in thousands

	01.01.05- 31.03.05	01.01.04- 31.03.04	01.01.04- 31.03.04
		adjusted according to IFRS 3	as published earlier
Net sales	14 857	13 755	13 755
Cost of goods sold	12 491	11 733	11 733
Gross profit	2 366	2 022	2 022
Marketing expenses*	219	70	70
Administrative and general exp.	324	411	411
Product development expenses	411	478	478
Bad debt provision	0	0	0
Other income	180	196	196
Other expenses	21	7	7
Operating profit	1 572	1 251	1 251
Financial income/expenses	170	175	275
Profit before taxes	1 742	1 426	1 526
Net profit	1 742	1 426	1 526
Earnings per share	0,13	0,11	0,12

* The cost of delivery production 1,703 th.EEK (108 th.EUR) has been reclassified to marketing expenses. In 2004 it was recorded as cost of goods sold.

Consolidated cash flows as of 31.03.05

unaudited

	EEK in thousands		EUR in thousands	
	31.03.05	31.03.04	31.03.05	31.03.04
Operating activities				
Operating profit	25 885	21 115	1 654	1 349
Profit from sale of property, plant and equipment	-259	0	-17	0
Deprecation	14 942	14 144	955	904
Property, plant and equipment write-off	225	0	14	0
Increase (-), decrease (+) in current assets	-30 629	20 536	-1 958	1 312
Increase (-), decrease (+) in current liabilities	27 620	-32 645	1 765	-2 086
Interest received and other financial income	1 708	2 272	109	145
Other financial expenses paid	0	-7	0	0
Total operating activities	39 492	25 415	2 524	1 624
Investing activities				
Property, plant and equipment sold	259	22	17	1
Property, plant and equipment acquired	-28 652	-9 565	-1 831	-611
Loans issued	-45	-6	-3	0
Financial activities change	0	-10 954	0	-700
Loans repaid	41	14	3	1
Total investing activities	-28 397	-20 489	-1 815	-1 309
Net cash flow	11 095	4 926	709	315
Movement in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	400 249	299 169	25 581	19 120
Net cash flow	11 095	4 926	709	315
Foreign exchange gain	152	131	10	8
Cash and cash equivalents at the end of the period	411 496	304 226	26 299	19 444
incl.cash and bank accounts	315 864	174 604	20 187	11 159
marketable securities	95 632	129 621	6 112	8 284

Parent company cash flows as of 31.03.05

	EEK in thousands		EUR in thousands	
	31.03.05	31.03.04	31.03.05	31.03.04
Operating activities				
Operating profit	24 589	19 576	1 572	1 251
Profit from sale of property, plant and equipment	-259	0	-17	0
Deprecation	13 950	13 144	892	840
Property, plant and equipment write-off	225	0	14	0
Increase (-), decrease (+) in current assets	-28 939	-9 428	-1 850	-603
Increase (-), decrease (+) in current liabilities	23 461	-31 893	1 499	-2 038
Interest received and other financial income	1 688	2 233	108	143
Other financial expenses paid	0	0	0	0
Total operating activities	34 715	-6 368	2 219	-407

Investing activities				
Property, plant and equipment sold	259	22	17	1
Property, plant and equipment acquired	-25 939	-9 290	-1 658	-594
Loans issued	-45	-6	-3	0
Financial activities change	0	-10 954	0	-700
Loans repaid	41	14	3	1
Total investing activities	-25 684	-20 214	-1 642	-1 292
Net cash flow	9 031	-26 582	577	-1 699
Movement in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	399 874	330 111	25 557	21 098
Net cash flow	9 031	-26 582	577	-1 699
Foreign exchange gain	136	144	9	9
Cash and cash equivalents at the end of the period	409 041	303 673	26 142	19 408
incl.cash and bank accounts	315 361	174 052	20 155	11 124
marketable securities	93 680	129 621	5 987	8 284

Consolidated changes in owners` equity as of 31.03.05

unaudited

	Share capital	EEK in thousands			Total Owners Equity
		Reserves	Previous period profit	Financial year profit	
31.12.2003	132 000	13 200	518 000	128 333	791 533
Net retained earnings of 2003			128 333	-128 333	
Dividends			-66 000		-66 000
Net profit for the financial year				104 988	104 988
31.12.2004	132 000	13 200	580 333	104 988	830 521
31.12.2004	132 000	13 200	580 333	104 988	830 521
Net retained earnings of 2004			104 988	-104 988	
Net profit for the financial year				28 584	28 584
31.03.2005	132 000	13 200	685 321	28 584	859 105

	Share capital	EUR in thousands			Total Owners Equity
		Reserves	Previous period profit	Financial year profit	
31.12.2003	8 436	844	33 106	8 202	50 588
Net retained earnings of 2003			8 202	-8 202	
Dividends			-4 218		-4 218
Net profit for the financial year				6 710	6 710
31.12.2004	8 436	844	37 090	6 710	53 080
31.12.2004	8 436	844	37 090	6 710	53 080
Net retained earnings of 2004			6 710	-6 710	

Net profit for the financial year				1 827	1 827
31.03.2005	8 436	844	43 800	1 827	54 907

Parent company changes in owners` equity as of 31.03.05

	Share capital	EEK in thousands			Total Owners Equity
		Reserves	Previous period profit	Financial year profit	
31.12.2003	132 000	13 200	512 948	128 323	786 471
2003 profit transferred to retained earnings			128 323	-128 323	
Dividends			-66 000		-66 000
Net profit for the financial year				104 190	104 190
31.12.2004	132 000	13 200	575 271	104 190	824 661
31.12.2004	132 000	13 200	575 271	104 190	824 661
2004 profit transferred to retained earnings			104 190	-104 190	
Net profit for the financial year				27 253	27 253
31.03.2005	132 000	13 200	679 461	27 253	851 914

	Share capital	EUR in thousands			Total Owners Equity
		Reserves	Previous period profit	Financial year profit	
31.12.2003	8 436	844	32 783	8 201	50 265
2003 profit transferred to retained earnings			8 201	-8 201	
Dividends			-4 218		-4 218
Net profit for the financial year				6 659	6 659
31.12.2004	8 436	844	36 767	6 659	52 705
31.12.2004	8 436	844	36 767	6 659	52 705
2004 profit transferred to retained earnings			6 659	-6 659	
Net profit for the financial year				1 742	1 742
31.03.2005	8 436	844	43 425	1 742	54 447

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.

Starting from 01.01.2005 new IFRS standards have been applied, including IFRS 3 "Commercial Enterprises", the implementation of which did not cause any significant changes in the current accounting principles nor affect group's profit, but it did affect profit of the parent company. Unconsolidated or in parent company's balance sheet investments into subsidiaries are stated by acquisition cost instead of the previous equity method. The effect is seen in parent company's balance sheet and income statements (ref. note 2, 5, 8).

In Management Board opinion, the financial statements give a true and fair view of the financial position of AS Norma on March 31, 2005. Presented statements are not audited.

1. Inventories

	group		parent company	
	31.03.05	31.12.04	31.03.05	31.12.04
Raw materials	50 452	51 698	49 820	51 186
Work in progress	19 415	16 711	11 852	12 088
Finished goods	26 831	18 309	25 219	15 132
Prepayments to suppliers	143	40	2 396	937
	96 841	86 758	89 287	79 343

2. Long-term financial assets

	group		parent company	
	31.03.05	31.12.04	31.03.05	31.12.04
Investments in subsidiaries	0	0	12 116	12 116
Held-to-maturity investments	10 954	10 954	10 954	10 954
Other receivables	1 024	1 134	1 024	1 134
	11 978	12 088	24 094	24 204

If previously declared parent company balance sheet line "Investment in subsidiaries" as at 31.12.2004 was 18 743 thousand EEK, which consisted of 12 116 thousand EEK investments into subsidiaries and 6 627 thousand EEK investment income by equity method, then the adjusted parent company balance sheet line "Investment in subsidiaries" as at 31.12.2004 is 12 116 thousand EEK.

3. Property, Plant and Equipment (group)

Land and buildings	Machinery and Equip.	Other assets	Equipment being installed	Prepayments	Total
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Acquisition cost as of 31.12.2004	91 715	409 047	5 917	1 994	8 122	516 795
Additions	6 101	0	54	22 021	430	28 606
Sale and written off	0	-6 338	0	0	0	-6 338
Reconstruction	0	5 456	0	-485	-4 971	0
Acquisition cost as of 31.03.2005	97 816	408 165	5 971	23 530	3 581	539 063
Depreciation as of 31.12.2004	-20 994	-251 216	-3 297	0	0	-275 507
Depreciation charge	-1 246	-12 711	-237	0	0	-14 194
Depreciation of fixed assets sold and written off	0	6 113	0	0	0	6 113
Depreciation as of 31.03.2005	-22 240	-257 814	-3 534	0	0	-283 588
Net book amount as of 31.12.2004	70 721	157 831	2 620	1 994	8 122	241 288
Net book amount as of 31.03.2005	75 576	150 351	2 437	23 530	3 581	255 475

Property, Plant and Equipment (parent company)

	Land and buildings	Machinery and Equip.	Other assets	Equipment being installed	Prepayments	Total
Acquisition cost as of 31.12.2004	91 715	377 529	4 044	1 969	8 792	484 048
Additions	6 101	0	54	19 072	666	25 893
Sale and written off	0	-6 300	0	0	0	-6 300
Reconstruction	0	6 258	0	-421	-5 837	0
Acquisition cost as of 31.03.2005	97 816	377 486	4 098	20 620	3 622	503 642
Depreciation as of 31.12.2004	-20 994	-233 761	-2 342	0	0	-257 096
Depreciation charge	-1 246	-11 871	-162	0	0	-13 279
Depreciation of fixed assets sold and written off	0	6 076	0	0	0	6 076
Depreciation as of 31.03.2005	-22 240	-239 556	-2 504	0	0	-264 299
Net book amount as of 31.12.2004	70 721	143 768	1 702	1 969	8 792	226 953
Net book amount as of 31.03.2005	75 576	137 931	1 594	20 620	3 622	239 343

4. Intangible assets (group)

	Software licenses	Product and technology licences	Total
Acquisition cost as of 31.12.04	8 287	22 402	30 689
Additions	46	0	46
Acquisition cost 31.03.05	8 333	22 402	30 735
Accumulated amortization as of 31.12.04	-7 289	-4 480	-11 769
Amortization change	-188	-560	-748
Accumulated amortization as of 31.03.05	-7 477	-5 040	-12 517
Net book amount as of 31.12.04	998	17 922	18 920
Net book amount as of 31.03.05	856	17 362	18 218

Intangible assets (parent company)

	Software licenses	Product and technology licences	Total
Acquisition cost as of 31.12.04	5 801	22 402	28 204
Additions	46	0	46
Acquisition cost 31.03.05	5 847	22 402	28 250
Accumulated amortization as of 31.12.04	-5 312	-4 480	-9 792
Amortization change	-111	-560	-671
Accumulated amortization as of 31.03.05	-5 423	-5 040	-10 463
Net book amount as of 31.12.04	489	17 922	18 411
Net book amount as of 31.03.05	424	17 362	17 786

5 Share Capital	31.03.05	31.03.04	31.03.05	31.03.04
Share capital par value (EEK 10 per share)	132 000	132 000	132 000	132 000
Statutory legal reserves	13 200	13 200	13 200	13 200
Retained earnings	685 321	580 333	679 461	575 271
Profit for the financial year	28 584	104 988	27 253	104 190
	859 105	830 521	851 914	824 661

Previously declared parent company balance sheet line “Retained earnings” was 580 333 thousand EEK as at 31.12.2004, which consisted of 575 271 thousand EEK profits of previous periods and 5 062 thousand EEK income from investments into subsidiaries by equity method, but the adjusted parent company balance sheet line “Retained earnings” as at 31.12.2004 is 575 271 thousand EEK.

And previously declared parent company balance sheet line “Profit for the financial year” as at 31.12.2004 was 104 988 thousand EEK, which consisted of 104 190 thousand EEK parent company accounting year profit and 798 thousand EEK income from investments into subsidiaries by equity method during accounting year, then adjusted parent company balance sheet line “Profit for the financial year” as at 31.12.2004 is 104 190 thousand EEK.

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 2004 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 31.03.2005:

Autoliv AB	51,0%
ING LUXEMBOURG S.A.	7,4%
Skandinaviska Enskilda Banken AB Clients	6,0%
Clearstream Banking Luxembourg S.A. Clients	3,2%

6. Primary reporting format: by product line (the group)

	Safety belts 01.01.05- 31.03.05	Other products 01.01.05- 31.03.05	Total 01.01.05- 31.03.05	Safety belts 01.01.04- 31.03.04	Other products 01.01.04- 31.03.05	Total 01.01.04- 31.03.04
Sales	212 901	29 856	242 757	208 027	21 235	229 262
Internal sales		(2 559)	(2 559)		(5 577)	(5 577)
Consolidated sales for the segment	212 901	27 297	240 198	208 027	15 658	223 685
Operating profit for the segment	25 610	275	25 885	20 878	237	21 115
Segment assets	639 057	25 829	664 886	591 901	21 005	612 906
Unallocated assets			341 970			340 947
Total assets			1 006 856			953 853
Segment liabilities	139 286	8 466	147 751	134 021	4 422	138 443
Capital expenditures	25 988	2 664	28 652	8 679	886	9 565
Depreciation charge	13 244	1 698	14 942	12 834	1 310	14 144

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) 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.

By product line (parent company)

	Safety belts 01.01.05- 31.03.05	Other products 01.01.05- 31.03.05	Total 01.01.05- 31.03.05	Safety belts 01.01.04- 31.03.04	Other products 01.01.04- 31.03.05	Total 01.01.04- 31.03.04
Sales	206 068	26 396	232 464	196 259	18 959	215 218
Operating profit for the segment	24 314	275	24 589	19 339	237	19 576
Assets	639 057	13 235	652 292	591 901	19 984	611 885
Unallocated assets			341 970			340 947
Total assets			994 262			952 832
Segment liabilities	139 286	3 062	142 348	134 021	3 401	137 422
Capital expenditures	23 864	2 075	25 939	8 556	743	9 299
Depreciation charge	12 366	1 584	13 950	11 986	1 158	13 144

Secondary reporting format: by geographical market

	Sales (the Group)		Sales (parent company)	
	01.01.05- 31.03.05	01.01.04- 31.03.04	01.01.05- 31.03.05	01.01.04- 31.03.04
Sweden	145 983	137 931	145 982	136 810

Russia	65 692	67 109	62 807	62 563
Germany	7 914	3 264	7 718	3 264
France	4 990	5 397	4 990	5 397
Estonia	3 586	2 154	2 166	1 414
Italy	3 192	1 574	-	-
Ukraine	2 109	1 483	2 109	1 483
Czech Republic	1 711	1 363	1 711	1 363
Finland	1 557	485	1 517	-
Belgium	867	807	867	807
Poland	852	583	852	583
USA	576	503	576	503
Spain	385	452	385	452
Great Britain	267	-	267	-
Other countries	517	580	517	579
Total	240 198	223 685	232 464	215 218

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

7. Cost of goods sold	group		parent company	
	31.03.2005	31.03.2004	31.03.2005	31.03.2004
Raw materials	140 400	141 250	138 635	142 958
Salaries	31 039	28 776	27 955	25 516
Depreciation	13 761	12 851	12 809	11 911
Utilities	4 230	4 087	4 228	4 081
Repairs and maintenance	2 234	2 078	2 591	2 812
Transportation	4 497	4 681	4 482	4 673
Other	4 485	-4 582	4 745	-8 364
	200 647	189 141	195 446	183 588

8. Earnings per Share	group		parent company	
	31.03.05	31.03.04	31.03.05	31.03.04
Profit for the financial year	28 584	23 877	27 253	22 319
Average number of shares (in thousands)	13 200	13 200	13 200	13 200
Earnings per share (EPS)	2,17	1,81	2,06	1,69

Previously declared parent company's income statement line "Profit for the financial year" as at 31.12.2004 was 23 877 thousand EEK, which consisted of 22 319 thousand EEK parent company's accounting year profit and 1558 thousand EEK income from investments into subsidiaries by equity method during accounting year, but the adjusted parent company's income statement line "Profit for the financial year" as at 31.12.2004 is 22 319 thousand EEK.

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

9. **Related parties**

	01.01.05-31.03.05	01.01.04-31.03.04
Sales to Norma AS by Autoliv Group	71 982	93 455

Purchases from Norma AS by Autoliv Group	153 875	139 402
Insurance premium for product liability Autoliv Group	91	121
Sales to Norma AS by AS Tööriistavabrik	2 528	4 870
Purchases from Norma AS by AS Tööriistavabrik	750	707
Purchases from Norma AS by AS Norma-Osvar	3 948	7 222
	31.03.2005	31.03.2004
Receivables from Autoliv group companies	115 075	112 723
Payable to Autoliv group companies	43 201	73 346
Short-term loan to Autoliv Autosicherheitst GmbH	0	78 233
Short-term deposit to Autoliv AB treasury	240 596	133 093
Receivables from: AS Tööriistavabrik	3 550	1 939
AS Norma-Osvar	12 537	24 743
Payable to: AS Tööriistavabrik	3 118	3 549
AS Norma-Osvar	59	76

Signatures of the Management Board to the Q1 Y2005 Interim Report

Q1 Y2005 Interim Report of AS Norma which is approved by the Management Board, signed on 18. May 2005:



Peep Siimon
Chairman of the Management Board



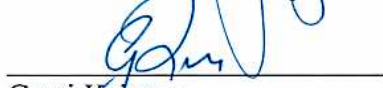
Peeter Tibbo
Member of the Management Board



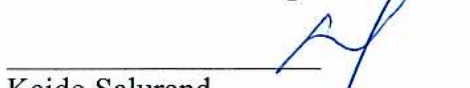
Ivar Aas
Member of the Management Board



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