

AS Norma

Interim report for the period Q3 Y2005

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MANAGEMENT REPORT Q3 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 Q3 Y2005, the AS Norma Group consisted of AS Norma and two wholly-owned subsidiaries.

At the end of Q3 Y2005, the Group employed 920 people.

AS Norma is located at Laki tn. 14, Tallinn, Republic of Estonia.

Important financial data Q3 and 9 month Y2005

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

	Group Q3			9MY2005	Group 9 month	
	Q3Y2005	Q3Y2004	Change %		9MY2004	Change %
Net sales	14.4	13.3	8.7	47.1	45.7	3.0
Operating profit	1.5	1.8	-17.1	4.8	5.6	-13.4
Corporate income tax	0	1.2		1.3	1.2	
Net profit	1.7	0.8	112.3	4.0	4.8	-16.4
Assets	60.3	60.8	-0.8	60.3	60.8	-0.8
Equity	52.9	53.1	-0.3	52.9	53.1	-0.3
Share capital	8.4	8.4		8.4	8.4	
Number of employees	920	848	8.5	920	848	8.5
Number of shares	13.2	13.2		13.2	13.2	
Earnings per share	0.13	0.06		0.31	0.37	

Operating activities of AS Norma in Q3 and 9 month Y2005

1. Sales Revenue

During the nine month period Y2005 consolidated net sales of AS Norma totalled 47.1 MEUR (736.6 MEEK), 98% of which were generated by parent company in the amount of 46.2 MEUR (722.3 MEEK).

Consolidated sales increased by 3% (1.4 MEUR, 21.3 MEEK,) from 9 month Y2004. Q3 Y2005 consolidated sales totalled 14.4 MEUR (225.7 MEEK) and increased 8.7%. Sales to Russian customers decreased 14% and to Western customers rose by 11% in 9 month Y2005. Q3 Y2005 sales to Russia were 6% lower than last year, but 4% higher than in Q2 Y2005.

Sales to Autoliv was 9 month Y2005 28.9 MEUR (452.5 MEEK).
 Exports accounted to 99% of sales revenue,
 29% of production was exported to Russian customers (9 month Y2004 35%).

2. Profitability of operations

	Group Q3			Group 9 month		
	Q3Y2005	Q3Y2004	Change %	9MY2005	9MY2004	Change %
Net sales	14.4	13.3	8.7	47.1	45.7	3.0
Cost of goods sold	11.8	10.7	10.6	39.0	37.8	3.3
Period expenses	1.1	0.8	44.0	3.2	2.4	36.6
Operating profit	1.5	1.8	-17.1	4.8	5.6	-13.4
Profit before tax	1.6	2.0	-16.0	5.4	6.0	-10.9
Net profit	1.6	0.8	112.3	4.0	4.8	-16.4
Net profit margin (%)	11.5	5.9		8.6	10.5	

Profit before taxes of the Group was 1.6 MEUR (25.9 MEEK) in Q3 Y2005, which is 11.5% from net sales. At same period in 2004 profit before taxes was 2.0 MEUR (30.9 MEEK), 14.9% from net sales. In first nine months profit before taxes was 5.4 MEUR (83.6 MEEK), which is 11,4% from net sales, a decrease 0.6 MEUR (10.3 MEEK) compared to same period last year.

As provision for income tax on dividends (1,3 MEUR; 20,8 MEEK) was recorded in Q2 this year (1,2 MEUR; 18.5 MEEK in Q3 in 2004) net profit amounted 1.7 MEUR (25.9 MEEK) in Q3 2005, which is remarkably higher compared to same period in last year (0.8 MEUR; 12.2 MEEK).

Net sales increased by 8.7% in Q3 Y2005, cost of goods sold by 10.6%. Period expenses increased by 0,3 MEUR (5.3 MEEK), because of 2 main reason: transport costs were reclassified for 0,1 MEUR (1.6 MEEK) to marketing costs which last year in same period were recorded as cost of good sold; addition of support functions (including engineering services) to transfer of seat belt and retractor assembly from Autoliv Sweden. Same reason was behind of increase in headcount, wages, transportation and other costs.

YTD 2005 sales increase by 3.% was followed by 3.3% of increase in cost of goods sold, 83% from net sales. The cost of raw materials and components decreased by 0.9%, depreciation rose by 9.6%, wages and salaries by 6.8%. The price increase of raw materials especially that of steel in 2004-2005 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 (230% increase compared to same period in 2004) of the production in-house of the most important component of safety belts, i.e. the retractor, which previously were imported.

98.9% of the net sales came from the parent company in Q3 2005 (98.1% in YTD 2005).

The number of employees rose by 23 people during Q3 2005 reaching 920 at the end of September 2005.

3. Liquidity management and use of capital

The Group's equity decreased by 0.2 MEUR (2.9 MEEK) amounting to 52.9 MEUR (827.6 MEEK) at the end of Q3 Y2005. The equity to assets ratio was 87.7% (87.4% at the end of 2004), increase by 1.65 MEUR (25.9 MEEK) in Q3. The distributable shareholders' equity was 43.6 MEUR (682.4 MEEK) at the end of September 2005.

The percentage of cash and liquid securities was 35.9% of total assets at the end of Q3 Y2005. It decrease by 8.2 MEUR (128.8 MEEK) during the 3. quarter mainly due to the payment of dividends (4,2 MEUR; 66 MEEK) and income tax on dividends (1,3 MEUR; 20,8 MEEK). 1.9 MEUR (29.4 MEUR) was spent on acquirement of non-current assets. Net current assets amounted to 11.9 MEUR (186.6 MEEK), as at September 30,2005. The Group has no need for external financing.

AS Norma maintained its traditionally conservative stance on liquidity management and making financial investments in 2005. 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 60.3 MEUR (943.4 MEEK) at the end of the reporting period, being 0.5 MEUR (7.3 MEEK) higher than at the end of 2004. Current assets decreased by 2.4 MEUR (37.3 MEEK), non-current assets rose by 1.9 MEUR (30.0 MEEK). Trade receivables were 12.6 MEUR (197.5 MEEK) at the end of the period, incl. 7.1 MEUR (111.7 MEEK) from the undertakings belonging to the Autoliv Group. In its turn, AS Norma had a payable of 1.6 MEUR (25.5 MEEK) to the undertakings of the same Group. Trade receivables increased by 1.7 MEUR (26.1 MEEK) as compared to the previous period. The reserve set up for the coverage of doubtful receivables was at same level, 0,3 million euros (4.7 MEEK). The share of accounts in arrears of total receivable was 5.6%.

Group had inventories for 6.4 MEUR (99.4 MEEK) at the end of the reporting period, i.e. 0.8 MEUR (12.7 MEEK) higher than at the beginning of year, being 10.5% of assets. Raw materials and materials (components) constituted 50.5%, work-in-progress 23.2% and finished goods 26.0% of the inventories

The Group's non-current assets were 19.3 MEUR (302.3 MEEK) at the end of the period, constituting 32.0% of assets. Property, plant and equipment increased by 2.1 MEUR (32.7 MEEK) to 17.5 MEUR (274.0 MEEK), i.e. 29.0% of the Group's assets. 5.1 MEUR (79.0 MEEK) was invested to Property, Plant and Equipment, incl. 4.8

MEUR (75.3 MEEK) by parent company. Mainly investments were made to production machinery and equipment (3.8 MEUR; 58.9 MEEK).

5. Subsidiaries

In nine month period 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 1.5 MEUR (23.1MEEK), consolidated sales were 0.7 MEUR (11.1 MEEK).

The net sales of the subsidiary Norma-Osvar ZAO located in Russia were 0.8 MEUR (13.1 MEEK). The consolidated sales were 0.8 MEUR (13.1 MEEK).

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 were 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 30.09.2005:

Autoliv AB	51.0%
Clients of Skandinaviska Enskilda Banken AB	8.3 %
ING LUXEMBOURG S.A.	7.4%

At the end of the reporting period (30.09.2005), the closing price of a share of AS Norma at Tallinn Stock Exchange was 6.97 EUR.

Management Board's Confirmation on the Interim Financial Statements

The Management Board confirms the completeness and correctness of AS Norma Q3 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

Ivar Aas



Member of the Management Board

Ülle Jõgi



Member of the Management Board

Garri Krieger



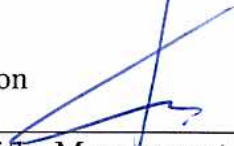
Member of the Management Board

Kaido Salurand



Member of the Management Board

Stig Carlsson



Member of the Management Board

Tallinn, 28. november 2005

Consolidated balance sheet as of 30.09.05
unaudited

	EEK in thousands		EUR in thousands	
	30.09.05	31.12.04	30.09.05	31.12.04
Assets				
Current assets				
Cash and bank accounts	258 971	319 043	16 551	20 391
Available-for-sale investments	79 742	81 206	5 096	5 190
Held-to-maturity investments	0	6 483	0	414
Accounts receivable	197 498	171 342	12 622	10 951
Allowance for doubtful receivables	-4 665	-4 948	-298	-316
Other receivables and prepayments	4 885	12 250	312	783
Prepaid taxes	5 232	6 223	334	398
Inventories	99 430	86 758	6 355	5 545
Total current assets	641 093	678 357	40 973	43 355
Non-current assets				
Long-term financial assets	11 488	12 088	734	773
Property, plant and equipment	273 988	241 287	17 511	15 421
Intangible assets	16 829	18 920	1 076	1 209
Total non-current assets	302 305	272 295	19 321	17 403
Total assets	943 398	950 652	60 294	60 758
Liabilities and shareholders' equity				
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	110 937	114 795	7 090	7 337
Taxes payable	4 830	5 336	309	341
Total current liabilities	115 767	120 131	7 399	7 678
Total liabilities	115 767	120 131	7 399	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	619 321	580 333	39 582	37 090
Net profit	63 110	104 988	4 033	6 710
Total owners' equity	827 631	830 521	52 895	53 080
Total liabilities and owners' equity	943 398	950 652	60 294	60 758

Parent company balance sheet as of 30.09.05
unaudited

	EEK in thousands		
	30.09.05	31.12.04 adjusted according to IFRS 3	31.12.04 as published earlier
Assets			
Current assets			
Cash and bank accounts	258 014	318 668	318 668
Available-for-sale investments	79 742	81 206	81 206
Held-to-maturity investments	0	4 000	4 000
Accounts receivable	202 381	178 155	178 155
Allowance for doubtful receivables	-4 665	-4 948	-4 948
Other receivables and prepayments	5 510	12 928	12 161
Prepaid taxes	3 257	4 628	4 628
Inventories	90 215	79 343	79 343
Total current assets	634 454	673 980	673 213

Non-current assets			
Long-term financial assets	23 604	24 204	30 831
Property, plant and equipment	258 835	226 953	226 953
Intangible assets	16 552	18 411	18 411
Total non-current assets	298 991	269 568	276 195
Total assets	933 445	943 548	949 408
Liabilities and shareholders' equity			
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	109 684	114 444	114 444
Taxes payable	3 738	4 443	4 443
Total current liabilities	113 422	118 887	118 887
Total liabilities	113 422	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	613 461	575 271	580 333
Net profit	61 362	104 190	104 988
Total owners' equity	820 023	824 661	830 521
Total liabilities and owners' equity	933 445	943 548	949 408

Parent company balance sheet as of 30.09.05
unaudited

	EUR in thousands		
	30.09.05	31.12.04 adjusted according to IFRS 3	31.12.04 as published earlier
Assets			
Current assets			
Cash and bank accounts	16 490	20 367	20 367
Available-for-sale investments	5 096	5 190	5 190
Held-to-maturity investments	0	256	256
Accounts receivable	12 935	11 386	11 386
Allowance for doubtful receivables	-298	-316	-316
Other receivables and prepayments	352	826	777
Prepaid taxes	208	296	296
Inventories	5 766	5 071	5 071
Total current assets	40 549	43 075	43 026
Non-current assets			
Long-term financial assets	1 509	1 547	1 970
Property, plant and equipment	16 543	14 505	14 505
Intangible assets	1 058	1 177	1 177
Total non-current assets	19 109	17 229	17 652
Total assets	59 658	60 304	60 678
Liabilities and shareholders' equity			
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	7 010	7 314	7 314
Taxes payable	239	284	284
Total current liabilities	7 249	7 598	7 598

Total liabilities	7 249	7 598	7 598
Owners` equity			
Share capital (par value)	8 436	8 436	8 436
Statutory reserves	844	844	844
Retained earning	39 207	36 767	37 090
Net profit	3 922	6 659	6 710
Total owners` equity	52 409	52 705	53 080
Total liabilities and owners` equity	59 658	60 304	60 678

Consolidated income statement Q3 and 9 month Y2005 unaudited

	EEK in thousands			
	01.07.05- 30.09.05	01.01.05- 30.09.05	01.07.04- 30.09.04	01.01.04- 30.09.04
Net sales	225 714	736 569	207 738	715 250
Cost of goods sold	184 990	610 393	167 350	590 978
Gross profit	40 723	126 175	40 388	124 272
Marketing expenses*	2 652	9 458	1 845	4 326
Administrative and general exp.	5 595	17 620	5 406	17 984
Product development expenses	8 198	25 749	8 878	22 689
Bad debt provision	-244	-228	-3 554	-3 444
Other income	888	5 310	2 167	6 518
Other expenses	1 730	3 426	1 351	2 051
Operating profit	23 680	75 460	28 629	87 184
Financial income/expenses	2 258	8 492	2 252	7 077
Profit before taxes	25 938	83 952	30 881	94 261
Provision for taxes**	0	20 842	18 658	18 810
Net profit	25 938	63 110	12 223	75 451
Earnings per share	1,97	4,78	0,93	5,72

Consolidated income statement Q3 and 9 month Y2005 unaudited

	EUR in thousands			
	01.07.05- 30.09.05	01.01.05- 30.09.05	01.07.04- 30.09.05	01.01.04- 30.09.04
Net sales	14 426	47 075	13 277	45 713
Cost of goods sold	11 823	39 011	10 696	37 770
Gross profit	2 603	8 064	2 581	7 942
Marketing expenses*	169	604	118	276
Administrative and general exp.	358	1 126	346	1 149
Product development expenses	524	1 646	567	1 450
Bad debt provision	-16	-15	-227	-220
Other income	57	339	138	417
Other expenses	111	219	86	131
Operating profit	1 513	4 823	1 830	5 572
Financial income/expenses	144	543	144	452
Profit before taxes	1 658	5 366	1 974	6 024
Provision for taxes**	0	1 332	1 192	1 202
Net profit	1 658	4 033	781	4 822
Earnings per share	0,13	0,31	0,06	0,37

* The cost of delivery production 5,058 th.EEK (323 th.EUR) has been reclassified to marketing expenses. In 2004 it was recorded as cost of goods sold.

** The dividends income tax liability in the Q2 Y2005 is 20, 842 th. kroons(1 332 th.euros). Y 2004. dividends income tax 18 511 th.kroons (1 192 th.euros) was recorded in Q3 Y2004.

Parent company income statement Q3 Y 2005 unaudited

	Thousands of EEK		
	01.07.05- 30.09.05	01.07.04- 30.09.04 adjusted according to IFRS 3	01.07.04- 30.09.04 as published earlier
Net sales	223 332	202 911	202 911
Cost of goods sold	183 802	161 793	161 793
Gross profit	39 530	41 118	41 118
Marketing expenses	2 652	1 845	1 845
Administrative and general expenses	4 867	4 398	4 398
Product development expenses	8 198	8 878	8 878
Bad bedt provision	-244	-3 554	-3 554
Other income	1 224	1 031	1 031
Other expenses	1 669	1 030	1 030
Operating profit	23 612	29 552	29 552
Financial income/Financial expenses	2 234	120	1 182
Profit before taxes	25 845	29 672	30 734
Provision for taxes	0	18 511	18 511
Net profit	25 845	11 161	12 223
Earnings per share in kroons	1,96	0,85	0,93

Parent company income statement Q3 Y 2005 unaudited

	Thousands of EUR		
	01.07.05- 30.09.05	01.07.04- 30.09.04 adjusted according to IFRS 3	01.07.04- 30.09.04 as published earlier
Net sales	14 274	12 968	12 968
Cost of goods sold	11 747	10 340	10 340
Gross profit	2 526	2 628	2 628
Marketing expenses	169	118	118
Administrative and general expenses	311	281	281
Product development expenses	524	567	567
Bad bedt provision	-16	-227	-227
Other income	78	66	66
Other expenses	107	66	66
Operating profit	1 509	1 889	1 889
Financial income/Financial expenses	143	8	76
Profit before taxes	1 652	1 896	1 964
Provision for taxes	0	1 183	1 183
Net profit	1 652	713	781
Earnings per share in kroons	0,13	0,05	0,06

Parent company income statement 9 month Y 2005
unaudited

	Thousands of EEK		
	01.01.05- 30.09.05	01.01.04- 30.09.04 adjusted according to IFRS 3	01.01.04- 30.09.04 as published earlier
Net sales	722 322	699 916	699 916
Cost of goods sold	602 318	578 627	578 627
Gross profit	120 004	121 289	121 289
Marketing expenses	9 458	4 326	4 326
Administrative and general expenses	15 322	14 887	14 887
Product development expenses	25 749	22 689	22 689
Bad bedt provision	-228	-3444	-3444
Other income	6 926	4908	4908
Other expenses	2 802	1310	1310
Operating profit	73 827	86 429	86 429
Financial income/Financial expenses	8 378	7 032	7 533
Profit before taxes	82 204	93 461	93 962
Provision for taxes	20 842	18 511	18 511
Net profit	61 362	74 950	75 451
Earnings per share in kroons	4,65	5,68	5,72

Parent company income statement 9 month Y 2005
unaudited

	Thousands of EUR		
	01.01.05- 30.09.05	01.01.04- 30.09.04 adjusted according to IFRS 3	01.01.04- 30.09.04 as published earlier
Net sales	46 165	44 733	44 733
Cost of goods sold	38 495	36 981	36 981
Gross profit	7 670	7 752	7 752
Marketing expenses	604	276	276
Administrative and general expenses	979	951	951
Product development expenses	1 646	1 450	1 450
Bad bedt provision	-15	-220	-220
Other income	443	314	314
Other expenses	179	84	84
Operating profit	4 718	5 524	5 524
Financial income/Financial expenses	535	449	481
Profit before taxes	5 254	5 973	6 005
Provision for taxes	1 332	1 183	1 183
Net profit	3 922	4 790	4 822
Earnings per share in kroons	0,30	0,36	0,37

Consolidated cash flows as of 30.09.05
unaudited

	Thousands of EEK		Thousands of EUR	
	30.09.05	30.09.04	30.09.05	30.09.04
Operating activities				
Operating profit	75 460	87 184	4 823	5 572
Profit from sale of property, plant and equipment	-897	-1 125	-57	-72
Depreciation	46 373	42 936	2 964	2 744
Property, plant and equipment write-off	777	350	50	22
Property, plant and equipment write-down	1 046	550	67	35
Increase (-), decrease (+) in current assets	-27 566	62 584	-1 762	4 000
Increase (+), decrease (-) in current liabilities	-4 364	-57 384	-279	-3 668
Interest received and other financial income	5 735	6 705	367	429
Other financial expenses paid	0	-351	0	-22
Total	96 564	141 449	6 172	9 040
Investing activities				
Property, plant and equipment sold	1 114	1 187	71	76
Property, plant and equipment acquired	-79 021	-32 290	-5 050	-2 064
Loans issued	-88	-65	-6	-4
Financial activities change	6 063	-10 953	387	-700
Loans repaid	188	43	12	3
Total	-71 744	-42 078	-4 585	-2 689
Financing activities				
Tax for dividends	-20 842	-18 511	-1 332	-1 183
Dividends	-66 000	-66 000	-4 218	-4 218
Financing activities total	-86 842	-84 511	-5 550	-5 401
Net cash flow	-62 022	14 860	-3 964	950
Movement in cash and cash equivalents				
Cash and cash equivalents at the beginning of the year:	400 249	299 169	25 581	19 120
Net cash flow	-62 022	14 860	-3 964	950
Foreign exchange gain	487	-124	31	-8
Cash and cash equivalents at the end of period:	338 714	313 905	21 648	20 062
incl.cash and bank accounts	258 971	231 302	16 551	14 783
marketable securities	79 743	82 603	5 097	5 279

Parent company cash flows as of 30.09.05
unaudited

	Thousands of EEK		Thousands of EUR	
	30.09.05	30.09.04	30.09.05	30.09.04
Operating activities				
Operating profit	73 827	86 429	4 718	5 524
Profit from sale of property, plant and equipment	-881	-85	-56	-5
Depreciation	43 414	40 104	2 775	2 563
Property, plant and equipment write-off	777	349	50	22
Property, plant and equipment write-down	1 046	550	67	35
Increase (-), decrease (+) in current assets	-25 886	59 903	-1 654	3 828
Increase (+), decrease (-) in current liabilities	-5 465	-59 349	-349	-3 793
Interest received and other financial income	5 690	6 687	364	427
Other financial expenses paid	0	68	0	4

Total	92 522	134 656	5 913	8 606
Investing activities				
Property, plant and equipment sold	1 034	107	66	7
Property, plant and equipment acquired	-75 411	-26 112	-4 820	-1 669
Loans issued	-88	-65	-6	-4
Financial activities change	6 063	-10 953	387	-700
Loans repaid	188	43	12	3
Total	-68 214	-36 980	-4 360	-2 363
Financing activities				
Tax for dividends	-20 842	-18 511	-1 332	-1 183
Dividends	-66 000	-66 000	-4 218	-4 218
Financing activities total	-86 842	-84 511	-5 550	-5 401
Net cash flow	-62 534	13 165	-3 997	841
Movement in cash and cash equivalents				
Cash and cash equivalents at the beginning of the year:	399 874	298 734	25 557	19 093
Net cash flow	-62 534	13 165	-3 997	841
Foreign exchange gain	416	-111	27	-7
Cash and cash equivalents at the end of period:	337 756	311 788	21 587	19 927
incl.cash and bank accounts	258 014	229 185	16 490	14 648
marketable securities	79 742	82 603	5 096	5 279

Consolidated changes in owners' equity as of 30.09.05 unaudited

	Thousands of EEK				Total owners' equity
	Share capital	Statutory reserves	Retained earnings	Profit for the financial year	
31.12.2003	132 000	13 200	518 000	128 333	791 533
2003 profit transferred to retained earnings			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
2004 profit transferred to retained earnings			104 988	-104 988	
Dividends			-66 000		-66 000
Net profit for the financial year				63 110	63 110
30.09.2005	132 000	13 200	619 321	63 110	827 631

Consolidated changes in owners` equity as of 30.09.05
unaudited

	Thousands of EUR				Total
	Share capital	Statutory reserves	Retained earnings	Profit for the financial year	owners' equity
31.12.2003	8 436	844	33 106	8 202	50 588
2003 profit transferred to retained earnings			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
2004 profit transferred to retained earnings			6 710	-6 710	
Dividends			-4 218		-4 218
Net profit for the financial year				4 033	4 033
30.09.2005	8 436	844	39 582	4 033	52 895

Parent company changes in owners` equity as of 30.09.05
unaudited

	Thousands of EEK				Total
	Share capital	Statutory reserves	Retained earnings	Profit for the financial year	owners' equity
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	
Dividends			-66 000		-66 000
Net profit for the financial year				61 362	61 362
30.09.2005	132 000	13 200	613 461	61 362	820 023

Parent company changes in owners` equity as of 30.09.05
unaudited

	Thousands of EUR				Total
	Share capital	Statutory reserves	Retained earnings	Profit for the financial year	owners' equity
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	
Dividends			-4 218		-4 218
Net profit for the financial year				3 922	3 922
30.09.2005	8 436	844	39 207	3 922	52 409

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 September 30, 2005. Presented statements are not audited.

1. Inventories

	group		parent company	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Raw materials	50 224	51 698	49 701	51 186
Work in progress	22 949	16 711	13 392	12 088
Finished goods	25 842	18 309	23 969	15 132
Prepayments to suppliers	415	40	3 153	937
	99 430	86 758	90 215	79 343

2. Long-term financial assets

	group		parent company	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Investments in subsidiaries	0	0	12 116	12 116
Held-to-maturity investments	10 954	10 954	10 954	10 954
Other receivables	534	1 134	534	1 134
	11 488	12 088	23 604	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
Acquisition cost as of 31.12.2004	91 715	409 047	5 917	1 994	8 122	516 795
Additions	5 169	58 899	933	12 586	1 368	78 955
Sale and written off	-851	-25 267	-110	0	0	-26 228
Reconstruction	0	10 116	0	-1 994	-8 122	0
Acquisition cost as of 30.09.2005	96 033	452 795	6 740	12 586	1 368	569 522
Depreciation as of 31.12.2004	-20 994	-251 216	-3 298	0	0	-275 508
Depreciation charge	-3 508	-39 970	-736	0	0	-44 214
Written-down		- 1 046				-1 046
Depreciation of fixed assets sold and written off	527	24 647	60	0	0	25 234
Depreciation as of 30.09.2005	-23 975	-267 585	-3 974	0	0	-295 534
Net book amount as of 31.12.2004	70 721	157 831	2 619	1 994	8 122	241 287
Net book amount as of 30.09.2005	72 058	185 210	2 766	12 586	1 368	273 988

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	377 528	4 044	1 969	8 793	484 049
Additions	5 169	55 040	906	12 581	1 648	75 344
Sale and written off	-851	-24 867	-29	0	0	-25 747
Reconstruction	0	10 762	0	-1 969	-8 793	0
Acquisition cost as of 30.09.2005	96 033	418 463	4 921	12 581	1 648	533 646

Depreciation as of 31.12.2004	-20 994	-233 761	-2 342	0	0	-257 096
Depreciation charge	-3 508	-37 467	-513	0	0	-41 488
Written-down		-1 046				-1 046
Depreciation of fixed assets sold and written off	527	24 291	1	0	0	24 819
Depreciation as of 30.09.2005	-23 975	-247 982	-2 854	0	0	-274 811
Net book amount as of 31.12.2004	70 721	143 768	1 702	1 969	8 793	226 953
Net book amount as of 30.09.2005	72 058	170 481	2 067	12 581	1 648	258 835

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	66	0	66
Acquisition cost 30.09.05	8 353	22 402	30 755
Accumulated amortization as of 31.12.04	-7 289	-4 480	-11 769
Amortization change	-478	-1 680	-2 158
Accumulated amortization as of 30.09.05	-7 767	-6 160	-13 927
Net book amount as of 31.12.04	998	17 922	18 920
Net book amount as of 30.09.05	587	16 242	16 829

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	66	0	66
Acquisition cost 30.09.05	5 867	22 402	28 270
Accumulated amortization as of 31.12.04	-5 312	-4 480	-9 792
Amortization change	-246	-1680	-1 926
Accumulated amortization as of 30.09.05	-5 557	-6 161	-11 718
Net book amount as of 31.12.04	489	17 922	18 411
Net book amount as of 30.09.05	311	16 241	16 552

5. Share Capital	group		parent company	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
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	619 321	580 333	613 461	575 271
Profit for the financial year	63 110	104 988	61 362	104 190
	827 631	830 521	820 023	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 30.09.2005:

Autoliv AB	51,0%
Skandinaviska Enskilda Banken Ab Clients	8,3%
ING LUXEMBOURG S.A.	7,4%

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

	Safety belts 01.01.05- 30.09.05	Other products 01.01.05- 30.09.05	Total 01.01.05- 30.09.05	Safety belts 01.01.04- 30.09.04	Other products 01.01.04- 30.09.05	Total 01.01.04- 30.09.04
Sales	655 009	93 530	748 539	641 708	89 766	731 474
Internal sales		(11 970)	(11 970)		(16 224)	(16 224)
Consolidated sales for the segment	655 009	81 560	736 569	641 708	73 542	715 250
Operating profit for the segment	66 027	9 433	75 460	87 830	(646)	87 184
Segment assets	614 935	22 893	637 828	516 770	21 408	538 178
Unallocated assets			305 570			376 511
Total assets			943 398			914 689
Segment liabilities	109 485	6 282	115 767	107 987	5 719	113 706
Capital expenditures	698 776	9 245	79 021	28 971	3 319	32 290
Depreciation charge	40 947	5 426	46 373	38 522	4 414	42 936
Write-down	1 046	0	1 046	550	0	550

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, real estate management) 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- 30.09.05	Other products 01.01.05- 30.09.05	Total 01.01.05- 30.09.05	Safety belts 01.01.04- 30.09.04	Other products 01.01.04- 30.09.05	Total 01.01.04- 30.09.04
Sales	641 890	80 432	722 322	605 149	94 767	699 916
Operating profit for the segment	65 632	8 195	73 827	74 761	11 668	86 429
Assets	614 935	12 940	627 875	516 770	17 829	534 599
Unallocated assets			305 570			376 511
Total assets			933 445			911 110
Segment liabilities	109 485	3 937	113 422	107 987	2 139	110 126
Capital expenditures	67 040	8 371	75 411	22 587	3 525	26 112
Depreciation charge	38 170	4 766	42 936	34 690	5 414	40 104
Write-down	1 046	0	1 046	550	0	550

Secondary reporting format:

By geographical market

	Sales (the Group)		Sales (parent company)	
	01.01.05- 30.09.05	01.01.04- 30.09.04	01.01.05- 30.09.05	01.01.04- 30.09.04
Sweden	429 402	404 357	428 306	403 235
Russia	211 765	245 310	208 670	239 579
Germany	24 053	17 838	22 205	16 106
France	22 925	15 797	22 924	15 797
Estonia	11 265	7 488	7 480	6 405
Italy	4 381	2 569	-	-
Ukraine	10 549	5 452	10 549	5 452
Czech Republic	6 158	4 864	6 158	4 864
Finland	6 455	539	6 415	51
Belgium	2 838	2 005	2 838	2 005
Poland	2 793	2 371	2 793	2 371
USA	576	1371	576	1347
Spain	901	1180	901	1180
Great Britain	753	2 465	753	-
Other countries	1 755	1644	1 754	1524
Total	736 569	715 250	722 322	699 916

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

7. Cost of goods sold	group		parent company	
	30.09.2005	30.09.2004	30.09.2005	30.09.2004
Raw materials	417 756	421 757	423 650	421 685
Salaries	95 389	89 352	84 791	78 519
Depreciation	43 021	39 250	40 112	36 502
Utilities	10 847	10 662	10 842	10 678
Repairs and maintenance	4 145	4 775	4 986	6 473
Transportation	12 717	10 437	12 745	10 384
Other	26 518	14 745	25 192	14 386
	610 393	590 978	602 318	578 627

8. Earnings per Share	group		parent company	
	30.09.2005	30.09.2004	30.09.2005	30.09.2004
Profit for the financial year	63 110	75 451	61 362	74 950
Average number of shares (in thousands)	13 200	13 200	13 200	13 200
Earnings per share (EPS)	4,78	5,72	4,65	5,68

Previously declared parent company's income statement line "Profit for the financial year" as at 30.09.2004 was 74 451 thousand EEK, which consisted of 74 950 thousand EEK parent company's accounting year profit and 501 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 30.09.2004 is 74 950 thousand EEK.

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

9. Related parties

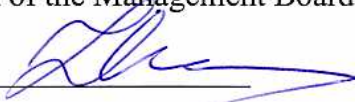
	01.01.05-30.09.05	01.01.04-30.09.04
Sales to Norma AS by Autoliv Group	231 763	254 622
Purchases from Norma AS by Autoliv Group	452 509	417 859
Insurance premium for product liability Autoliv Group	303	332
Sales to Norma AS by AS Tööriistavabrik	11 970	14 013
Purchases from Norma AS by AS Tööriistavabrik	2 190	2 133
Purchases from Norma AS by AS Norma-Osvar	10 024	30 828
	30.09.2005	30.09.2004
Receivables from Autoliv group companies	111 735	86 971
Payable to Autoliv group companies	25 544	43 114
Short-term loan to Autoliv Autosicherheitst GmbH	0	78 233
Short-term deposit to Autoliv AB treasury	225 828	128 491
Receivables from: AS Tööriistavabrik	3 348	1 036
AS Norma-Osvar	10 034	17 522
Payable to: AS Tööriistavabrik	3 847	2 247
AS Norma-Osvar	118	102

Signatures of the Management Board to the Q3 Y2005 Interim Report

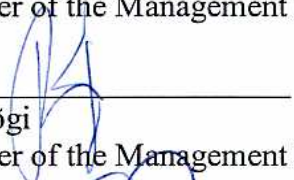
Q3 Y2005 Interim Report of AS Norma which is approved by the Management Board, signed on 28. november 2005:



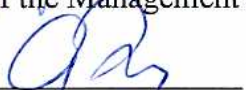
Peep Siimon
Chairman of the Management Board



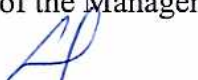
Ivar Aas
Member of the Management Board



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