

AS Norma

Interim report for the period Q3 Y2007

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MANAGEMENT REPORT

Field of activity

The main field of activity of AS Norma (hereinafter also referred to as the "Parent") and its subsidiary (together hereinafter also referred to as the "Group") are production and sale of car safety systems including seatbelts and their components. The Group also manufactures car components, as well as dies and molds for stamping machines, and renders engineering services related to the design and adaptation of car safety systems and seatbelts.

Developments in the operating environment

In the Russian market, one of the most important for AS Norma, 1.675 million new passenger cars were sold in nine months 2007, which is more than 30% above the sales of same period a year earlier. Market share of foreign cars reached to 69%, an increase 68% compared to 2006. In the same period, an import rose by 64%.

Over same period, 936 thousand passenger cars were produced in Russia, which constitutes 9% increase. Production of Russian car makers made 66% and foreign car manufacturers in Russia 34% from total production. A year earlier latest market share was 21%.

The biggest client's of AS Norma - AVTOVAZ production decreased by 5.4% in 9 m Y2007 compared to the same period in 2006. In third quarter of current year production was higher by 13.6% than in second quarter and 55.2% higher than in first quarter. Compared to the third quarter of 2006, this year 20.1% more cars were made. AVTOVAZ sales in Russia remained 1,8% lower in the period of January – September, but at the end of ten months result is already 2,2% higher than in 2006.

AS Norma participates in the global car market mainly in co-operation with its parent company Autoliv AB. The biggest end-customer for seatbelt sales is Volvo Car Corporation; smaller deliveries are also made to Saab Automobile, Volvo Group (Volvo Trucks, Volvo Buses) and other makers. In Q3 2007 AS Norma delivered to this market 476 thousand safety belts.

Seasonal nature of the business

The tradition of low sales period on the Russian car market in January is further enhanced by the establishment of long New Year's holidays in 2005. Swedish car manufacturers are on a collective vacation in December (between Christmas and New Year).

The turnover of AS Norma, as the supplier, is thus considerably lower during these periods.

Highlights of the financial year

Development projects

In co-operation with Autoliv engineers, the Company continued to develop the car safety system for AVTOVAZ's development project Lada Priora, upgrade of currently produced Lada 2110 to Lada 2170. Priora model with new safety systems is supposed to reach market in 2008.

Component manufacturers in Europe are not able to satisfy need for high quality car components at competitive prices. Therefore, the component division of AS Norma is more actively starting new projects also towards other automotive suppliers than Autoliv.

Production

In March - September 2007 the Group continued to implement new generation products to the new Volvo platforms. The growth of safety belts production volumes for the Russian market, which started already in the second half of 2006, did not descend and the work was intensive in the component divisions as well as in the assembly unit. Also component production for other assembly companies increased.

Quality insurance

In Q2 2007 AS Norma met main quality objectives as follows:

- 1) the number of products returned by customers (ppm) - 9
- 2) average on-time-delivery – 98%.

In the list of best suppliers based on Q3 2007 results, AVTOVAZ has named AS Norma among best 5 suppliers in the group. AVTOVAZ is valuating quality of it's suppliers in 2 group, publishing every quarter best suppliers per group.

Investments made in the financial year

In 9 months 2007, the Group invested 37.7 million kroons (2.4 million euros) in the implementation of new technologies, expansion of production capacities, enhancement of the efficiency of the production processes and modernisation of the working environment.

The Group's investments in 9m 2007 were as follows:

Metal processing equipment	24.1 million kroons (1.5 million euros)
Assembly lines	7.2 million kroons (0.5 million euros)
Injection moulding machines	3.3 million kroons (0.2 million euros)
Other investments	3.1 million kroons (0.2 million euros)

Financial highlights of the Group

Economic activities	Q3	Q3	Q3	Q3	Q3	Q3
	2007	2006	2005	2007	2006	2005
	mil. EEK*	mil. EEK*	mil. EEK*	mil. €*	mil. €*	mil. €*
Revenue	300.2	228.0	225.7	19.2	14.6	14.4
Change to previous year %	31.7	1.0				
Gross profit	43.6	40.0	40.7	2.8	2.6	2.6
Change to previous year %	9.0	-1.7				
Gross profit margin ¹	14.5	17.6	18.0			
Operating profit	23.6	23.7	23.7	1.5	1.5	1.5
Change to previous year %	-0.6	0.0				
Operating profit margin ²	7.9	10.4	10.5			
EBITDA (profit before financial items, taxes; depreciation and amortisation added)	39.1	39.0	40.0	2.5	2.5	2.6
Change to previous year %	0.2	-2.6				
Profit before taxes	28.3	27.8	25.9	1.8	1.8	1.7
Change to previous year %	1.9	7.1				
Pre-tax profit margin ³	9.4	12.2	11.5			
Net profit	28.3	27.8	25.9	1.8	1.8	1.7
Change to previous year %	1.8	7.2				
Net profit margin ⁴	9.4	12.2	11.5			
Working capital ⁵	555.5	512.1	322.6	35.5	32.7	20.6
Change to previous year %	8.5	58.7				
Average number of employees	982	896	935			
Change to previous year %	9.6	-4.2				
Share and dividend related figures						
Number of shares (millions)	13.2	13.2	13.2			
Earnings per share ⁶	2.15	2.11	1.97	0.14	0.13	0.13
Change to previous year %	1.8	7.2				
Equity per share ⁷	65.8	63.4	62.7	4.2	4.1	4.0
Change to previous year %	3.8	1.2				

* unit not valid for margins, variation %, average number of employees and number of shares

¹ Gross profit margin = gross profit / revenue

² Operating profit margin = operating profit / revenue

³ Pre-tax profit margin = profit before tax / revenue

⁴ Net profit margin – net profit / revenue

⁵ Working capital = current assets, except for cash and cash equivalents (deposits with maturity up to 3 months; interest fund shares), less current liabilities at the end of the period

⁶ Earnings per share – net profit per share in kroons: the company has no contingently issuable common shares; therefore diluted EPS equals to basic EPS

⁷ Equity per share – total equity / number of shares

Sales

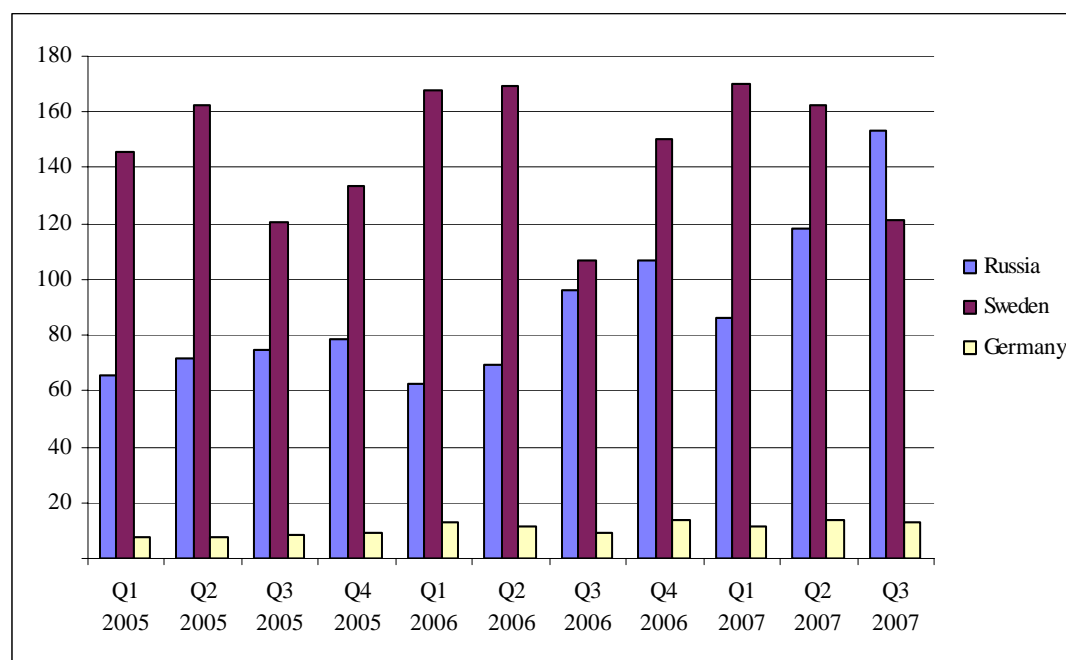
The revenue of the Group amounted to 300 million kroons (19.2 million euros) in Q3 Y2007. This constitutes a 31.7% increase, compared to Q3 Y2006. Seatbelts made up 70% (in Q3 Y2006: 86%) of revenue. The most important other products and services included sales of air bags and their electronic control units, also seatbelt components to other Autoliv group companies, sales of dies and moulds, and provision of safety system-related engineering services.

In Q3 Y2007, AS Norma exported 99.0% (in Q3 Y2006: 98.7%) of its products, 51% (in Q3 Y2006: 43%) to Russia, 41% (in Q3 Y2006: 48%) to Sweden and 4% (in Q3 Y2006: 4%) to Germany. Russian sales increased by 59% (this increase was secured by deliveries of airbags and electronic control units to AVTOVAZ) compared to the same period last year, sales to Sweden clients increased 13.5%.

Sales to various sub-units of the parent company Autoliv increased by 14% compared to Q3 Y2006, amounting to 132 (in Q3 Y2006: 116) million kroons, i.e. 8.4 (in Q3 Y2006: 7.4) million euros. Seatbelt sales made up 79% (in Q3 Y2006: 80%) and seatbelt component sales made up 21% (in Q3 Y2006: 20%) of the sales to Autoliv.

Sales net turnover for the 9 months of Y2007 made up 895 million kroons (57.2 million euros), increase 18% (134 million kroons; 8.6 million euros) compared to the same period in 2006. Sales to Russian clients increased 56% and sales to other clients increased 1%. Sales turnover to Autoliv amounted to 488 million kroons (31.1 million euros), i.e. 2.7 % more compared to the same period last year.

Major export markets 2005-2007 (million kroons)



Other major western customers included Khimaira (Volvo buses), Karosa, Iris Bus-IVECO, Intersafe and Van-Hool, who mostly require seatbelts for buses and trucks. Sales to this sector remained at the same level compared to the same period in 2006.

Expenses

Cost of goods sold increased by 37% in Q3 Y2007, which constitutes 85% of revenue (in Q3 Y2006: 82%). Cost of raw material and purchased components increased by 42% to 53.6 million kroons (3.4 million euros), which constitutes 61% (Q3 Y2006: 57%) of revenue. 88% of raw material increase was due to airbags and electronic control units.

Personnel expenses in production amounted to 37.4 million kroons (2.4 million euros) in Q3 Y2007, having grown by 22%, compared to the Q3 Y2006. Personnel expenses in production made up 12% of revenue in Q3 Y2007 (in Q3 Y2006: 13%).

At the end of the period, there were 986 employees in Group, which was 86 persons more than a year before and 39 more compared to the beginning of this year. The company employed a monthly average of 982 people in Q3 and 981 in 9 months Y2007. A year ago, the average number of employees was lower by 82 (9%) employee.

Expenses on transport of materials and goods increased 43% compared to a Q3 Y2006, which was 2.0% of revenue (in Q3 Y2006: 1.8%).

Cost of goods sold in the 9 m Y2007 made up 767 million kroons (49.0 million euros), which is 20% more than a year before, making 86% of revenue (84% in the 9m Y2006). 83% of 126 million kroons (8.0 million euros) growth was due to the increase in cost of raw material and goods.

In Q3 Y2007 marketing and distribution costs made up 3.1% (in Q3 Y2006: 1.9%) of revenue, having grown by 113% primarily due to logistic and transport costs growth related to Russian sales, at the same time the research and development costs decreased by 51% down to 3.6 million kroons (0.2 million euros), amounting to 1.2% (in Q3 Y2006: 3.2%) of revenue. Administration costs increased in Q3 Y2007 by 49%, amounting to 7.6 million kroons (0.5 million euros), amounting to 2.5% (in Q3 Y2006: 2.2%) of revenue.

Profit and profitability

The Group's gross profit for Q3 Y2007 was 43.6 (in Q3 Y2006: 40.0) million kroons or 2.8 (in Q3 Y2006: 2.6) million euros - i.e. 14.5% (in Q3 Y2006: 17.6%) of revenue. The 9% increase in gross profit was caused by 32% growth of sales turnover.

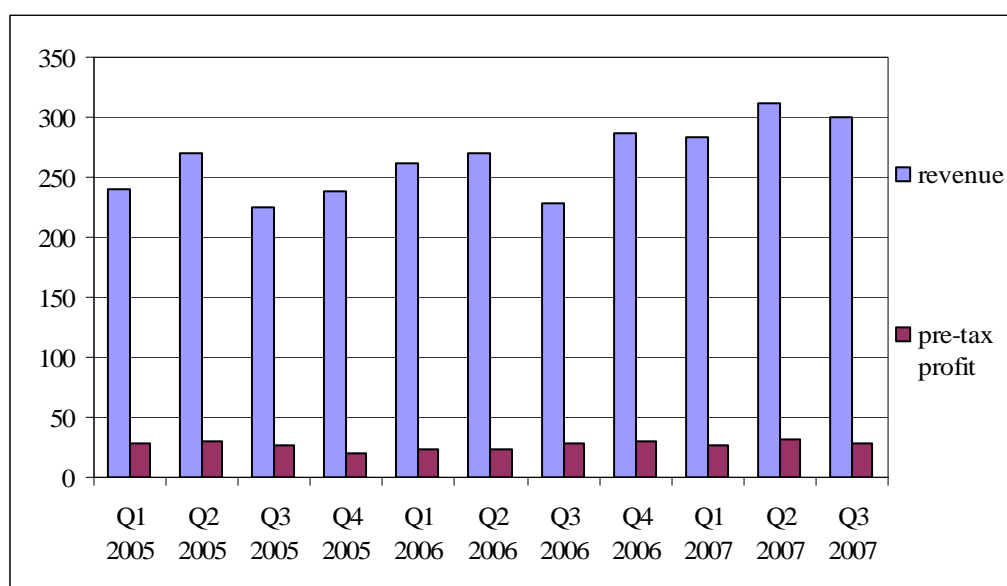
The operating profit for Q3 Y2007 remained at the same level than year ago – 23.6 million kroons (1.5 million euros), making 7.9% (Q3 Y2006: 10.4%) of revenue.

Profit before taxes increased 2% (i.e. by 0.5 million kroons or 0.03 million euros) to 28.3 million kroons (1.8 million euros) or 9.4% (in Q3 Y2006: 12.2%) of revenue. Financial income increased by 16% up to 4.7 million kroons (0.3 million euros).

The net profit for Q3 Y2007 amounted to 28.3 (in Q3 Y2006: 27.8) million kroons (1.8 and 1.8 million euros resp.). The growth 2% compared to Q3 Y2006.

Y2007 9 months net profit amounted to 67.6 million kroons (4.3 million euros), having grown 11.9 million kroons (0.8 million euros) i.e. 21%, compared to the same period in 2006, amounting to 7.6% (in 9 m 2006: 7.3%) of revenue.

The Group's revenue and pre-tax profit quarterly dynamics: 2005-2007 (million kroons)



Cash flows and capital appropriation

The Group's cash flow from operating activities in 9 months Y2007 amounted to 100 (9 m Y2006: 93) million kroons (6.4 and 5.9 million euros resp.). The 7.8 million-kroons increase (0.5 million euros) was, above all, due to the increase in operating profit.

The company's investments in property, plant and equipment, and intangible assets were higher by 15 million kroons (1.0 million euros), compared to the same period in 2006, balance of financial investments rose by 24 million kroons (1.5 million euros), total cash flow from investments amounted to -46 (in 9 m Y2006: -139) million kroons (-3.0 and -8.9 million euros resp.).

Payment of dividends and tax on dividends lead to -84.6 million kroons (-5.4 million euros) negative cash-flow from financing activities. Net cash-flow amounted in the 9 m Y2007 to negative - 31 million kroons (-2.0 million euros).

As at the end of September 2007, cash and liquid securities made up 48% (31.12.2006: 51%) of the balance of assets. As of Sept. 30, 2007, the Group working capital (short-term investments, receivables, prepayments, inventories less current liabilities) amounted to 556 (31.12.2006: 514) million kroons (35.5 and 32.8 million euros resp.), and the working capital employed in main activities (receivables, prepayments, inventories less current liabilities) to 116 (31.12.2006: 98.1) million kroons (7.4 and 6.3 million euros resp.).

AS Norma kept a traditionally conservative profile upon managing liquidity and making financial investments in Q3 2007. In addition to the EEK and EUR deposits of different terms of maturity in Estonian banks, and the money and interest fund shares, the company also deposited short-term resources in Autoliv AB Treasury, which allowed making short-term deposits to earn an interest higher than that currently offered on the market.

Non-current assets made up 25% of the assets, having decreased during 9 months of 2007 by 9.5 million kroons (0.6 million euros), at the expense of decrease in PPE.

At the end of September 2007, available equity amounted to 1033 million kroons (66.0 million euros), which is 4% more than at the beginning of this year.

The Group has no long-term liabilities. Investments and operating activities are financed from equity.

The owner's equity of the Group increased by 1.5 million kroons (0.1 million euros), amounting to 869 million kroons (55.5 million euros) by the end of the period. Owner's equity made up 84% (31.12.2006: 87%) of the balance sheet. At the end of September, available equity amounted to 724 (31.12.2006: 722) million kroons (46.3 and 46.2 million euros resp.).

Stock market and dividends

AS Norma has issued 13.2 million common shares. The share has a nominal value of 10 kroons, and grants its owner one vote at the general shareholders' meeting. The number of the shares and their nominal value has not changed ever since the shares were first listed in 1997.

On May 15, 2007, General Assembly of AS Norma shareholders decided to pay dividends in the amount of 66 million kroons (4.2 million euros), i.e. 5 kroons (0.32 euro) per share in 2007, as it has been done four last years.

Both diluted EPS and basic EPS was 2.15 in Q3 2007 (in Q3 2006: 2.11) kroons (0.14 and 0.13 euros resp.). Both diluted EPS and basic EPS in 9m Y2007 was 5.12 kroons (0.33 euros), which is 21% more compared to the same period in 2006.

The shares of AS Norma were listed on the main list of the Tallinn Stock Exchange under the code NRM1T in 1997. The shares are also traded at the Frankfurt and Berlin stock exchanges.

Stock statistics for 2007 (in euros).at the Tallinn Stock Exchange



List of AS Norma shareholders holding over 5% of the shares (as of 30.09.2007):

Autoliv Ab	51.0%
ING LUXEMBOURG S.A.	7.8%
Skandinaviska Enskilda Banken Ab clients	6.6%
HANSA IDA-EUROOPA AKTSIAFOND	5.5%

As of 30.09.2007, the members of the Supervisory Board of AS Norma, and people close to them, held no shares in AS Norma. Member of the Management Board Garri Krieger (owner of 205 shares) is the only person among the members of the Management Board of AS Norma, and persons close to them, who holds any shares in AS Norma. No stock options have been issued to the members of the Supervisory Board and Management Board of the company.

Financial risks

Currency risks

AS Norma is exposed to currency risks related, above all, to product export and material import as well as the assets of the subsidiary located in Russia.

The euro is the predominant sales currency of AS Norma. The Group expenses are denominated in Estonian kroons, euros, Swedish kroons and Russian roubles. The euro is the underlying currency for the principal purchase and sales contracts. Risks related to other currencies have been hedged either by harmonising incoming or outgoing cash flows or tying contractual payments to the euro exchange rate.

Interest risks

Since AS Norma does not use debt financing, assessment of the interest risk is only important when it comes to investing activities. Deposits have a fixed interest rate, Hansabank Interest Fund units are recorded at market value - i.e. bond interest rate fluctuations at the market have an effect on the value of the company's investment. The effect of the potential interest change is insignificant, considering the amount of the investment.

Financial market credit risk

The company hedges the credit risks arising from its investing activities by making investments only in the financial instruments of reliable banks, and the deposits of the Autoliv AB Treasury. Autoliv's short-term credit rating is A2 according to Standard & Poor's and P2 according to Moody's.

Consolidation group structure

In Q3 2007, AS Norma Group included AS Norma and its subsidiary in Russia fully owned by AS Norma.

On February 20, 2007, the Supervisory Board of AS Norma made the resolution to merge the 100% owned subsidiary AS Tööriistavabrik with AS Norma. The goal of the merge is to increase the efficiency and to reduce the administration expenses within Norma Group. On September 4, 2007 the entry was made in Business Register, according to which AS Tööriistavabrik was merged to AS Norma since January 1, 2007. Therefore in current report financial data of AS Tööriistavabrik are presented among parent company figures.

The Parent is involved in the manufacturing and sales of car safety systems, including seatbelts and their components, as well as provision of engineering services related to the development and adaptation of car safety systems and seatbelt components. In 32 Y2007, the parent company's turnover amounted to 300 (in Q3 Y2006: 225) million kroons (19.2 and 14.4 million euros resp.), net profit to 28.5 (in Q3 Y2006: 27.8) million kroons (1.8 and 1.8 million euros resp.), and owner's equity to 871 (31.12.2006: 859) million kroons (55.7 and 54.9 million euros resp.).

The Russian-based subsidiary Norma-Osvar ZAO is involved in the sale and storage of AS Norma's products, organisation of the related customs procedures and, if necessary, representation of AS Norma in Russia. In Q3 Y2007 the revenue of Norma-Osvar ZAO amounted to 2.0 (in Q3 Y2006: 4.0) million kroons (0.1 and 0.3 million euros resp.), loss to -0.2 (in Q3 Y2006: -0.3) million kroons (-0.01 and -0.01 million euros resp.) and owner's equity to -0.6 (31.12.2006: 0.4) million kroons (-0.04 and 0.03 million euros resp.). All revenues came from external customers and the goods sold by the subsidiary were supplied by the Parent.

Management structure

The highest management authority of AS Norma, as the legal person, is the general shareholders' meeting, which appoints the members of the Supervisory Board. The Supervisory Board of AS Norma has 6 members, with 3 representatives of the majority shareholder Autoliv AB. On March 1, 2007 the Chairman of Supervisory Board and Vice President Legal Affairs of Autoliv, Mr Jörgen Svensson, passed away and the Supervisory Board proceeded with 5 members: Rolf Henke, Senior Vice President SB Division, Europe, and Leif Berntsson, Senior Vice President AB Division, Europe, Attorney-at-Law Aare Tark from Law Office Tark & Co, Toomas Tamsar, Chairman of the Management Board of Balti Juhtimiskonverentsi OÜ and Raivo Erik, Chairman of the Management Board of OÜ Someri Trade.

The General meeting of the shareholders of AS Norma decided to recall the Supervisory Board member Rolf Henke and elect, related to sudden death of Supervisory Board member Jörgen Svensson - Pär Malmhagen and Magnus Lindquist as the new Supervisory Board members of AS Norma for a term commencing May 15, 2007.

On May 15, 2007, the Supervisory Board of AS Norma decided to elect Magnus Lindquist the Chairman.

The Management Board appointed by the Supervisory Board of AS Norma has 6 members: Managing Director Peep Siimon (Chairman of the Management Board), Sales Director Ivar Aas, Director of SB Division Stig Carlson, Financial Director Ülle Jõgi, Quality Director Garri Krieger and Purchase Director Kaido Salurand.

Peep Siimon




Chairman of the Management Board

Management Board's Confirmation on the Interim Financial Statements

The Management Board confirms the completeness and correctness of AS Norma Q3 Y2007 interim statements:


- 1) the accounting principles used in preparing the consolidated financial statements are in compliance with International Financial Reporting Standards as adopted by EU;
- 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 Carlson 

Member of the Management Board

Tallinn, 30. November 2007

Consolidated balance sheet

Unaudited

Assets	Thousands of kroons		Thousands of euros		Note
	30.09.2007	31.12.2006	30.09.2007	31.12.2006	
Current assets					
Cash in hand and deposits	60 192	90 918	3 847	5 811	1
Short-term financial investments	439 471	415 553	28 087	26 559	2
Receivables	168 984	133 028	10 800	8 502	
Prepaid expenses	1 315	1 242	84	79	
Inventories	109 847	93 919	7 021	6 002	3
Total current assets	779 809	734 660	49 839	46 953	
Non-current assets					
Long-term receivables	284	378	18	25	
Property, plant and equipment	240 914	248 757	15 397	15 898	4, 7
Intangible assets	12 248	13 818	783	883	5, 7
Total non-current assets	253 446	262 953	16 198	16 806	
Total assets	1 033 255	997 613	66 037	63 759	7
Liabilities and shareholders' equity					
Liabilities					
Current liabilities					
Payables	161 975	128 923	10 352	8 239	
Deferred income	2 155	1 138	138	73	
Total current liabilities	164 130	130 061	10 490	8 312	7
Total liabilities	164 130	130 061	10 490	8 312	
Owners' equity					
Share capital (par value)	132 000	132 000	8 436	8 436	6
Statutory reserves	13 200	13 200	844	844	
Retained earnings	656 352	636 620	41 949	40 687	
Net profit	67 573	85 732	4 318	5 479	
Total owners' equity	869 125	867 552	55 547	55 447	
Total liabilities and owners' equity	1 033 255	997 613	66 037	63 759	

Consolidated income statement

Unaudited

	Thousands of kroons				
	01.07.07- 30.09.07	01.01.07- 30.09.07	01.07.06- 30.09.06	01.01.06- 30.09.06	Note
Revenue	300 201	894 932	227 972	760 621	7
Cost of goods sold	-256 570	-766 914	-187 958	-641 354	8
Gross profit	43 631	128 018	40 014	119 267	
Marketing and distribution costs	-9 233	-21 126	-4 342	-11 025	
Research and development expenses	-3 568	-15 122	-7 339	-26 561	
General administrative expenses	-7 648	-22 434	-5 119	-17 636	
Other operating income	1 009	3 763	716	1 972	
Other operating expenses	-586	-1 252	-191	-1 189	
Operating profit	23 605	71 847	23 739	64 828	7
Financial items	4 709	14 341	4 046	10 585	
Profit before taxes	28 314	86 188	27 785	75 413	
Income tax expense	0	-18 615	24	-19 731	
Net profit	28 314	67 573	27 809	55 682	6
Basic and diluted earnings per share (in kroons)	2,15	5,12	2,11	4,22	6

	Thousands of euros				
	01.07.07- 30.09.07	01.01.07- 30.09.07	01.07.06- 30.09.06	01.01.06- 30.09.06	Note
Revenue	19 186	57 197	14 570	48 613	7
Cost of goods sold	-16 398	-49 015	-12 013	-40 990	8
Gross profit	2 788	8 182	2 557	7 623	
Marketing and distribution costs	-590	-1 350	-278	-705	
Research and development expenses	-228	-966	-469	-1 698	
General administrative expenses	-489	-1 434	-327	-1 127	
Other operating income	64	240	46	126	
Other operating expenses	-37	-80	-12	-76	
Operating profit	1 509	4 593	1 517	4 143	7
Financial items	301	916	259	677	
Profit before taxes	1 810	5 509	1 776	4 820	
Income tax expense	0	-1 190	1	-1 261	
Net profit	1 810	4 319	1 777	3 559	6
Basic and diluted earnings per share (in euros)	0,14	0,33	0,13	0,27	6

Consolidated Statement of Changes in Equity

Unaudited

	Thousands of kroons			
	Share capital (par value)	Statutory Reserve	Retained earnings	Total equity
31.12.2005	132 000	13 200	702 620	847 820
Net profit			27 873	27 873
Dividends			-66 000	-66 000
30.06.2006	132 000	13 200	664 493	809 693
Net profit			27 809	27 809
30.09.2006	132 000	13 200	692 302	837 502
Net profit			30 050	30 050
31.12.2006	132 000	13 200	722 352	867 552
Net profit			39 259	39 259
Dividends			-66 000	-66 000
30.06.2007	132 000	13 200	695 611	840 811
Net profit			28 314	28 314
30.09.2007	132 000	13 200	723 925	869 125

Consolidated Statement of Changes in Equity

Unaudited

	Thousands of euros			
	Share capital (par value)	Statutory Reserve	Retained earnings	Total equity
31.12.2005	8 436	844	44 906	54 186
Net profit			1 781	1 781
Dividends			-4 218	-4 218
30.06.2006	8 436	844	42 469	51 749
Net profit			1 777	1 777
30.09.2006	8 436	844	44 246	53 526
Net profit			1 921	1 921
31.12.2006	8 436	844	46 167	55 447
Dividends			2 509	2 509
Net profit			-4 218	-4 218
30.06.2007	8 436	844	44 458	53 738
Net profit			1 810	1 810
30.09.2007	8 436	844	46 267	55 547

Consolidated Cash Flow Statement

Unaudited

Cash flows from operating activities	Thousands of kroons		Thousands of euros		Note
	01.01.07- 30.09.07	01.01.06- 30.09.06	01.01.07- 30.09.07	01.01.06- 30.09.06	
Operating profit	71 848	64 828	4 592	4 143	
Adjustments of operating profit					
Gain from disposals of property, plant and equipment	-66	-134	-4	-9	
Depreciation and amortisation	46 388	45 712	2 965	2 922	4, 5, 7
Changes in assets related to operating activities, incl.:					
Short-term receivables and prepaid expenses, except loans and interests	-35 836	-19 931	-2 290	-1 274	
Inventories	-15 928	-9 052	-1 018	-579	3
Changes in liabilities, incl.:					
Payables	33 052	15 956	2 112	1 020	
Deferred income	1 017	-2 574	65	-165	
Provision	0	-2 094	0	-134	
Income tax paid	0	-17	0	-1	
Total cash flows from operating activities	100 475	92 694	6 422	5 924	
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment	816	1 870	52	120	
Acquisition of property, plant and equipment and intangible assets	-37 725	-22 767	-2 411	-1 455	4, 5, 7
Loans granted	-61	-57	-4	-4	
Loan repayments received	138	48	9	3	
Acquisition of short-term financial investments	-542 307	-390 919	-34 660	-24 984	
Proceeds from disposals of short-term financial investments	518 389	265 328	33 131	16 958	
Interest received	14 332	7 816	916	500	
Total cash flows from investing activities:	-46 418	-138 681	-2 967	-8 863	
Cash flows from financing activities					
Payment of income tax on dividends	-18 615	-19 714	-1 190	-1 260	
Dividends paid	-66 000	-66 000	-4 218	-4 218	
Total cash flows from financing activities:	-84 615	-85 714	-5 408	-5 478	
Net cash flows	-30 558	-131 701	-1 953	-8 417	
Changes in cash and cash equivalents					
Balance at the beginning of the year	90 918	183 029	5 811	11 698	
Increase/decrease of cash and cash equivalents	-30 558	-131 701	-1 953	-8 417	
Foreign exchange effect	-168	17	-11	1	
Cash and cash equivalents at the end of the year, incl.:	60 192	51 345	3 847	3 282	
<i>Cash in hand and deposits with maturity up to 3 months</i>	30 068	16 741	1 922	1 070	
<i>Shares of interest fund</i>	30 124	34 604	1 925	2 212	

Accounting Policies and Estimates

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and on a historical cost basis, except as disclosed in the accounting policies below (e.g., certain financial assets, which are measured at fair value). The current consolidated financial statements have been prepared in thousands of Estonian kroons (EEK).

According to the Estonian Business Code, the annual report, including the consolidated financial statements, prepared by the Management Board and approved by the Supervisory Board is authorised by the Shareholders' General meeting. The shareholders hold the power not to approve the annual report and the right to request a new annual report to be prepared.

In accordance with the revised and new standards the presentation, if applicable, has been changed as well (the presentation of comparative data has been also restated).

New IFRS standards passed during the financial year

During the financial year, new standards entered into force, which do not have any effect of the accounting principles applied by the Group. These standards include IAS 19 "Employee benefits: actuarial gains and losses, group plans and disclosures", IFRIC 4 "Determining whether an arrangement contains a lease", IFRS 6 "Exploration for and evaluation of mineral resources", IFRIC 5 "Rights to interests arising from decommissioning, restoration and environmental funds", IFRS 4 "Insurance contracts: financial guarantee contracts (revised)", IAS 39 "Financial instruments: recognition and measurement (revised)" and IAS 1 "Presentation of financial statements (revised)".

New IFRS standards and interpretations

New or revised standards and interpretations, which have been approved by the European Union by the balance sheet date, but which will enter into force after the balance sheet date have no effect on the accounting principles applied by the Group. These standards include IFRIC 7 "On applying the restatement approach under IAS 29 "Financial reporting in hyperinflationary economies"", IFRIC 8 "Scope of IFRS 2", IFRIC 9 "Reassessment of Embedded Derivatives".

New or revised standards and interpretations, which have been approved but have not been adopted by the European Union by the balance sheet date, but which will enter into force after the balance sheet date have no effect on the accounting principles applied by the Group. These standards include IFRS 8 "Operating segments", IFRIC 10 "Interim financial reporting and impairment", IFRIC 11 "IFRS 2—Group and Treasury Share Transactions", IFRIC 12 "Service Concession Arrangements".

The following new or revised standards and interpretations, which have been approved by the European Union by the balance sheet date, but which will enter into force after the balance sheet date will have an effect on the accounting principles applied by the Group. The Group is still estimating the impact of adoption of these pronouncements on the disclosures of the consolidated financial statements. These standards include IFRS 7 "Financial instruments: disclosures" and IAS 1 "Presentation of financial statements (revised)". IFRS 7 requires disclosures that enable users to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. IAS 1 amendment requires the Group to make new disclosures to enable users of the consolidated financial statements to evaluate the Group's objectives, policies and processes of managing capital.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of AS Norma and its subsidiaries consolidated line-by-line.

Subsidiaries are companies, in which the Group has an interest of more than 50% of the voting rights or otherwise has power to govern the financial and operating decisions of these companies. Subsidiaries are consolidated from the acquisition date (date on which control is transferred to the Group) and cease to be consolidated from the disposal date (date on which control is transferred out of the Group).

The financial statements of the subsidiaries are prepared for the same reporting year as the Parent, using consistent accounting policies, in all material respects. All inter-group transactions, balances and unrealised profits and losses on transactions between Group's companies have been eliminated in the consolidated financial statements. Unrealised losses are not eliminated, if these losses represent impairment of assets sold.

Foreign Currency Translation

The functional currency of the Parent is Estonian kroon, which is also the presentation currency of the current consolidated financial statements; other currencies are considered as foreign currencies.

Foreign currency transactions are recorded on the basis of the foreign currency exchange rates of the Bank of Estonia officially valid on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences from assets and liabilities related to operating activities are recognised in the income statement as operating items and differences from assets and liabilities related to investing and financing activities are recognised as financial items.

The functional currency of the foreign subsidiary is euro. All transactions and balances of the foreign subsidiary are translated into Estonian kroons using foreign currency rates of the Bank of Estonia. As Estonian kroons is pegged with euro with fixed rate (1 euro = 15.6466 EEK), the foreign exchange differences, which should be recorded directly in equity, do not arise.

Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement are short-term (up to 3 months maturity) highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value, including cash in hand and at bank, short-term time deposits with maturity up to 3 months and other marketable highly liquid investments (e.g., interest fund shares).

Financial Assets

All financial assets are initially recognised at cost, being the fair value of the consideration given. The cost of financial assets includes also acquisition charges associated directly with the investment (e.g., fees paid to agents and advisers, non-refundable taxes and other similar expenditures), except in the case of investments at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase or sell the asset (e.g. conclude an agreement). Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

For the subsequent recognition, financial assets are classified as follows:

- financial assets at fair value through profit or loss (incl. shares and other securities held for trading and other securities and derivatives with positive value),
- held-to-maturity investments (incl. bonds fixed maturity, which are being held to maturity),
- loans and receivables (incl. loans granted, trade receivables and other receivables),
- available-for-sale financial assets (incl. all those financial assets that are not classified in any of the three preceding categories; in reporting and comparative period the Group did not have any such investments).

Financial assets at fair value through profit and loss are measured in its fair value on each balance sheet date. Fair value of listed securities is based on listed market price (closing prices) and the official exchange rates of the Bank of Estonia. Unlisted securities are accounted for in their fair value on the basis of the available information on the value of the investment. Gains or losses from changes in fair value of investments held for trading are recognised under "Financial items" in income statement. Interests and dividends from investments held for trading are also recognised under "Financial items" in income statement.

Held-to-maturity investments, loans and receivables are carried at amortised cost using the effective interest method. Amortised cost is calculated by taking into account a discount or a premium on acquisition and transaction costs, over the period to maturity.

When the recoverable amount of investments carried at amortised cost is lower than its carrying amount, the asset is considered impaired and is written down to its recoverable amount (for doubtful accounts receivable the contra assets account is used for allowances and uncollectible receivables are written off from balance sheet). The recoverable amount of investments carried at amortised cost is measured as the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment of receivables is assessed on an individual basis, based on the current credit information available. The amount of the impairment loss from receivables related to operating activities is recognised under operating expenses ("General administrative expenses") and from investments related to investing activities under financial items in income statement.

Collection of receivables that have been previously expensed as impaired assets are recognised as an adjustment of allowance in balance sheet and reduction of expenses in income statement.

Interests from investments held to maturity, loans and receivables are recognised under “Financial items” in income statement.

The derecognition of a financial asset takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

Subsidiaries in the Non-consolidated Financial Statements of the Parent

In the Parent’s non-consolidated financial statements investments in its subsidiaries are carried at cost. It means that investments in subsidiaries are initially recognised at cost, being the fair value of the consideration given. After initial recognition the cost is adjusted by any losses arising from impairment in value.

The Parent assesses at each reporting date whether there is an indication that an investment may be impaired and if any such indication exists, the Group makes an estimate of the asset’s recoverable amount (higher of the value in use and fair value less costs to sell). Impairment losses are recognised under “Financial items” in the income statement. A previously recognised impairment loss is reversed, if there has been a change in the estimates used to determine the investment’s recoverable amount since the last impairment loss was recognised. Such reversal is recognised as financial income in income statement when incurred.

Dividends receivable/received from subsidiaries are recognised as financial income, when the Parent’s right to receive the payment is established, except a part of dividends paid out on account of the retained earnings created by the subsidiary before the acquisition of the subsidiary. Such dividends are recognised as a reduction of investments.

Inventories

Finished products and work-in-progress are recorded at production cost, consisting of the direct and indirect production costs on normal operating capacity. Raw materials and goods for resale located in warehouses or production field are recorded at acquisition cost, consisting of the purchase price, direct transportation costs related to the purchase, non-refundable taxes and other purchase related expenditures.

Inventories are valued at the lower of cost and net realisable value. Inventories are accounted for by using the weighed average acquisition cost method. The amount of write-down of inventories to their net realisable value is recorded as expenses of the reporting period, under “Cost of sales” of the income statement.

Property, Plant and Equipment

Assets with a useful life of over 1 year and an acquisition cost of over 40 000 kroons (except IT equipment, for which 15 000 kroons of limit is used) are considered to be property, plant and equipment. Initially, property, plant and equipment are recognised at cost, consisting of the purchase price and expenditures directly related to the acquisition.

Subsequent to initial recognition an item of property, plant and equipment is carried in the balance sheet at its cost, less accumulated depreciation and any accumulated impairment losses. When the recoverable amount of property, plant and equipment is lower than its carrying amount, the asset is considered impaired and is written down to its recoverable amount, which is the higher of the value in use and fair value less costs to sell. The Group assesses at each reporting date whether there is an indication that an asset may be impaired and if any such indication exists, the Group makes an estimate of the asset’s recoverable amount. Impairment losses are recognised under “Other operating expenses” in the income statement.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed, if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. Such reversal is recognised as a reduction of expenses in income statement when incurred.

Subsequent expenditure relating to an item of property, plant and equipment that has already been recognised (e.g. replacements of part of some items) are added to the carrying amount of the assets, if the recognition criteria are met, i.e. (a) it is probable that future economic benefits associated with the item will flow to the Group, and (b) the cost of the item can be measured reliably. The replaced items are derecognised. All other expenditures are recognised as an expense in the period in which it is incurred.

The calculation of depreciation is started, when the assets are ready for the expected usage determined by the management and finished upon the reclassification to non-current assets held for resale or disposal of the assets. If the item of property, plant and equipment is fully depreciated, the cost and accumulated depreciation of such item are recorded in balance sheet until the item is in use.

The depreciable amount of an asset (i.e., cost of an asset less its residual value) is expensed over the expected useful life of an asset. The cost of land is not depreciated. Depreciation is calculated on a straight-line basis (except for tooling) over the estimated useful life of the asset as follows:

- Buildings 8 - 20 years
- Machinery and equipment 4 - 11 years
- IT equipment 3 - 7 years
- Other items 5 - 7 years

The sum-of-the-unit method is used for deprecation of tooling.

If an asset consists of separable components with different useful lives, each such component are accounted for and depreciated separately in the book-keeping of the Group

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year-end. Changes in residual values, useful lives and methods are treated as a change in estimates.

Non-current assets held for sale are valued at the lower of net carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated.

Intangible Assets

Initially, intangible assets are recognised at cost, consisting of the purchase price and expenditures directly related to the acquisition. Subsequent measurement depends on whether an intangible asset has a finite or indefinite life. Intangible assets with finite lives are stated at cost less accumulated amortisation and any accumulated impairment in losses. Such intangible assets are amortised over the useful economic life on a straight-line basis as follows:

- Licences 3-10 years.

When the recoverable amount of intangible assets with finite lives is lower than its carrying amount, the asset is considered impaired and is written down to its recoverable amount, which is the higher of the value in use and fair value less costs to sell. The Group assesses at each reporting date whether there is an indication that an asset may be impaired and if any such indication exists, the Group makes an estimate of the asset's recoverable amount. Impairment losses are recognised under "Other operating expenses" in the income statement.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Such reversal is recognised as a reduction of expenses in income statement when incurred.

Intangible assets with indefinite useful lives (incl. goodwill) are tested for impairment annually. Such intangibles are not amortised. In the reporting period and comparative period the Group did not have any intangible assets with indefinite useful lives.

Development expenses are expenditures incurred as a result of the application of research findings to a plan or design for new products and services. Development expenditure is capitalised only when the Group can demonstrate the technical feasibility of completing the intangible asset, its intention to complete the intangible asset and use or sell it, its ability to use or sell it, the availability of resources to complete the project, how the asset will generate future economic benefits and the ability to measure reliably the expenditure during the development.

Expenditures related to the establishing a new entity, research costs and training expenses are not capitalised.

Financial Liabilities

Borrowings are recognised initially at cost, being the fair value of proceeds received. In subsequent periods, borrowings are stated at amortised cost using the effective interest method. Transaction costs are taken into consideration upon

calculating the effective interest rate, and charged to expenses over the term of the financial liability. Borrowing costs (incl. interest expenses) related to the financial liability are recognised as an expense when incurred.

Borrowings are derecognised when the obligation under the liability is discharged or cancelled or expired.

Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made, but the date of the settlement and the final amount of it are not certain. Value of provisions is based on the assessment and experiences of the Group's management, and opinion of independent experts, if necessary.

Promises, guarantees and other commitments that in certain circumstances may become liabilities, but in the opinion of the Group's management an outflow to settle these liabilities is not probable, are disclosed in the notes to the consolidated financial statements as contingent liabilities.

Income tax

Estonian companies of the Group:

According to the Estonian Income Tax Law the company's net profit is not subject to income tax; thus there are no temporary differences between the tax bases and carrying values of assets and liabilities that may cause the deferred income tax. Instead of taxing net profit, all dividends paid by the company are subject to income tax with the rate of 22/78 (the rate of 23/77 was effective for dividends paid out in 2006; the tax rate will decrease also in future - every year by one point until 20/80 of net dividends paid out after 1 January 2009). Income tax from the payment of dividends is recorded as income tax expense at the moment of declaring the dividends, regardless of the actual payment date or the period for which the dividends are paid out.

The potential tax liability related to the distribution of the Group's retained earnings as dividends is not recorded in the balance sheet.

Russian company of the Group:

In accordance with the local income tax acts, the company's net profit adjusted by temporary and permanent differences determined in income tax acts is subject to income tax in Russia (the tax rate is 24%).

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised only when it is probable that profit will be available against which the deferred tax assets can be utilised.

Tax to be paid is reported under current liabilities and deferred tax under non-current assets or liabilities.

Related Parties

Entities and individuals are considered to be related parties if one of the parties can exercise control over the other party or has significant influence over economic decisions made by the other party. The following entities and individuals are considered as related parties of the Group, which itself belongs to the Autoliv Group:

- a) the parent and the ultimate parent of AS Norma;
- b) other companies of the Autoliv Group;
- c) key management personnel of the Group and the parent of the Group; and
- d) the close relatives of and the entities controlled by the parties specified above.

Revenue Recognition

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the revenue and the cost of the transactions can reliably be measured. Revenue is recognised at the fair value of the received/receivable income. If the credit terms are longer than usual terms in the business of the Group, the revenue is determined based on the present value of proceeds.

Revenue from the sales of services is recorded upon rendering of the service. Income from services mediated is recognised as net of related expenses in the income statement.

Interest revenue is recognised as interest accrues, using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Finance and Operating Leases

Lease transactions, where all material risks and benefits from ownership of an asset are transferred to the lessee, are treated as finance leases. All other lease transactions are treated as operating leases.

Group as a lessee

Finance leases are capitalised at the inception of the lease at the fair value of the leased assets or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Capitalised leased assets are depreciated similar to acquired assets over the shorter of the estimated useful life of the asset or the lease term.

Operating lease payments are recognised as operating expenses on a straight-line basis over the lease term.

Group as a lessor

When assets are leased out under a finance lease, the amount equals to the net investment in the lease is recognised as a receivable (the aggregate of the present value of the lease payments receivable by the lessor under a finance lease and any unguaranteed residual value at the end of lease period). Lease payments are apportioned between the finance income and reduction of the lease receivable so as to achieve a constant rate of interest on the remaining balance of the receivable.

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. These assets are depreciated over their expected useful lives on a basis consistent with similar items of property, plant and equipment. Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

Segment Reporting

The primary segments of the Group are operational segments and the secondary segments are geographical segments.

Across Group's product lines main product line is car safety belts. Other product lines (car security system components, automobile details, metalwork, real estate activities) separately account for less than 10% from revenue and total assets of the Group and therefore are not disclosed as separate reportable segments.

Expenses are allocated in proportion to product line's share from revenue. Assets (excl. cash, securities and loans granted), liabilities and investments are allocated according to the share of the segment. Depreciation, amortisation and impairment losses are allocated according to the portion of non-current assets to the segment. All expenses, assets and liabilities, which are not directly related to any segments, but are more related to administrative, investing and financing activities of the Group as a whole, are presented as unallocated expenses, assets and liabilities in the segment reporting.

Significant accounting judgements and estimates

In the process of applying the Group's accounting policies, the management has made the decision that bonds acquired are going to be held up to maturity. According to this decision bonds acquired are carried at amortised cost, not at fair value.

Notes to the Consolidated Financial Statements Unaudited

1. Cash and cash equivalents	Thousands of kroons		Thousands of euros	
	30.09.2007	31.12.2006	30.09.2007	31.12.2006
Cash in hand and current deposits in banks	785	3 000	50	192
Short-term time deposits with maturity up to 3 months	29 283	26 120	1 872	1 669
Interest fund shares of Hansapank	30 124	61 798	1 925	3 950
	60 192	90 918	3 847	5 811

2. Short-term financial investments	Thousands of kroons		Thousands of euros	
	30.09.2007	31.12.2006	30.09.2007	31.12.2006
Short-term time deposits with maturity more than 3 months	439 471	404 600	28 087	25 859
Bonds	0	10 953	0	700
	439 471	415 553	28 087	26 559

3. Inventories	Thousands of kroons		Thousands of euros	
	30.09.2007	31.12.2006	30.09.2007	31.12.2006
Raw materials	66 420	63 296	4 245	4 045
Work in progress	21 841	18 237	1 396	1 165
Finished goods	21 397	12 249	1 368	783
Prepayments for goods	189	137	12	9
	109 847	93 919	7 021	6 002

4. Property, plant and equipment (thousands of kroons)

	Land and buildings	Machinery and equipment	Other items	Unfinished projects and prepayments	TOTAL
Net book value as of 31.12.2005	71 377	181 194	2 492	16 157	271 220
Additions	820	8 741	876	4 454	14 891
Disposals	0	-1	0	-1 734	-1 735
Reclassifications	0	13 879	0	-13 879	0
Depreciation charge	-2 249	-26 292	-597	0	-29 138
Net book value as of 30.06.2006	69 948	177 521	2 771	4 998	255 238
Additions		6 219	451	977	7 647
Reclassifications	0	2278	0	-2 278	0
Depreciation charge	-1 132	-13 195	-261	0	-14 588
Net book value as of 30.09.2006	68 816	172 823	2 961	3 697	248 297
Additions	948	5 968	0	8 548	15 464
Disposals	0	-15	0	0	-15
Depreciation charge	-1 133	-13 599	-257	0	-14 989
Net book value as of 31.12.2006	68 631	165 177	2 704	12 245	248 757
Additions	99	14 392	120	12 163	26 774
Disposals	0	-750	0	0	-750
Reclassifications	0	10 051	0	-10 051	0
Depreciation charge	-2 289	-26 880	-446	0	-29 615
Net book value as of 30.06.2007	66 441	161 990	2 378	14 357	245 166
Additions	738	7 642	94	2 181	10 655
Reclassifications		2 194		-2 194	0
Impairment loss		-66			-66
Depreciation charge	-1 149	-13 478	-214	0	-14 841
Net book value as of 30.09.2007	66 030	158 282	2 258	14 344	240 914

As of 30.09.2006					
Acquisition cost	97 289	484 058	8 042	3 697	593 086
Accumulated depreciation and impairment losses	-28 473	-311 235	-5 081	0	-344 789
As of 30.09.2007					
Acquisition cost	99 074	512 888	8 256	14 344	634 562
Accumulated depreciation and impairment losses	-33 044	-354 606	-5 998	0	-393 648

As of 30.09.2007, acquisition cost of fully depreciated property, plant and equipment amounts to 197 929 (30.09.2006: 171 516) thousand kroons.

As of 30.09.2007 additional investments needed for the completing unfinished projects (incl. uninstalled equipment) amount to 0 thousand kroons.

Property, plant and equipment (thousands of euros)

	Land and buildings	Machinery and equipment	Other items	Unfinished projects and prepayments	TOTAL
Net book value as of 31.12.2005	4 562	11 580	159	1 033	17 334
Additions	51	560	56	285	952
Disposals	0	0	0	-111	-111
Reclassifications	0	887	0	-887	0
Depreciation charge	-143	-1 681	-38	0	-1 862
Net book value as of 30.06.2006	4 470	11 346	177	320	16 313
Additions	0	397	29	62	488
Reclassifications	0	146	0	-146	0
Depreciation charge	-73	-843	-17	0	-933
Net book value as of 30.09.2006	4 397	11 046	189	236	15 868
Additions	61	381	0	546	988
Disposals	0	-1	0	0	-1
Depreciation charge	-72	-869	-16	0	-957
Net book value as of 31.12.2006	4 386	10 557	173	782	15 898
Additions	6	920	8	778	1 712
Disposals	0	-48	0	0	-48
Reclassifications	0	642	0	-642	0
Depreciation charge	-146	-1718	-29	0	-1893
Net book value as of 30.06.2007	4 246	10 353	152	918	15 669
Additions	47	488	6	139	680
Reclassifications	0	140	0	-140	0
Impairment loss	0	-4	0	0	-4
Depreciation charge	-73	-861	-14	0	-948
Net book value as of 30.09.2007	4 220	10 116	144	917	15 397

As of 30.09.2006					
Acquisition cost	6 217	30 938	514	236	37 905
Accumulated depreciation and impairment losses	-1 820	-19 892	-325	0	-22 036

As of 30.09.2007

Acquisition cost	6 332	32 780	528	917	40 556
Accumulated depreciation and impairment losses	-2 112	-22 663	-383	0	-25 159

As of 30.09.2007, acquisition cost of fully depreciated property, plant and equipment amounts to 12 650 (30.09.2006 : 10 962) thousand euros.

As of 30.09.2007 additional investments needed for the completing unfinished projects (incl. uninstalled equipment) amount to 0 thousand euros.

5. Intangible assets (thousands of kroons)

	Product and technology licences	Software licences	TOTAL
Net book value as of 31.12.2005	15 682	452	16 134
Amortisation charge	-1120	-209	-1329
Net book value as of 30.06.200	14 562	243	14 805
Additions		230	230
Amortisation charge	-560	-98	-658
Net book value as of 30.09.2006	14 002	375	14 377
Additions	0	119	119
Amortisation charge	-560	-118	-678
Net book value as of 31.12.2006	13 442	376	13 818
Additions	0	295	295
Amortisation charge	-1121	-125	-1246
Net book value as of 30.06.2007	12 321	546	12 867
Amortisation charge	-560	-59	-619
Net book value as of 30.09.2007	11 761	487	12 248

As of 30.09.2006

Acquisition cost	22 402	8 130	30 532
Accumulated amortisation and impairment losses	-8 400	-7 755	-16 155

As of 30.09.2007

Acquisition cost	22 402	6 627	29 029
Accumulated amortisation and impairment losses	-10 641	-6 140	-16 781

Intangible assets (thousands of euros)

	Product and technology licences	Software licences	TOTAL
Net book value as of 31.12.2005	1 002	29	1 031
Amortisation charge	-72	-13	-85
Net book value as of 30.06.200	931	15	946
Additions	0	15	15
Amortisation charge	-36	-6	-42
Net book value as of 30.09.2006	895	24	919

AS Norma
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Additions	0	8	8
Amortisation charge	-36	-8	-44
Net book value as of 31.12.2006	859	24	883
Additions	0	19	19
Amortisation charge	-72	-8	-80
Net book value as of 30.06.2007	787	35	822
Amortisation charge	-35	-4	-39
Net book value as of 30.09.2007	752	31	783

As of 30.09.2006

Acquisition cost	1 432	520	1 952
Accumulated amortisation and impairment losses	-537	-496	-1033

As of 30.09.2007

Acquisition cost	1 432	424	1 856
Accumulated amortisation and impairment losses	-680	-393	-1 073

6. Share capital

	Thousands of kroons		Thousands of euros	
	30.09.2007	31.12.2006	30.09.2007	31.12.2006
Share capital par value	132 000	132 000	8 436	8 436

AS Norma has issued 13.2 million common shares with one vote per share. All shares are fully paid. Dividends paid out for 2005 were 66.0 million kroons (4.2 million euros) or 5 kroons (0.32 euro) per share. The Management Board proposes also 66.0 million kroons (4.2 million euros) paid out for 2006.

The Parent can increase its share capital up to 528 000 thousand kroons (33 745 thousand euros) as maximum, without changing its Articles of Association.

Shareholders of AS Norma with participation over 5%, as of 30.09.2007:

Autoliv Ab	51.0%
ING LUXEMBOURG S.A.	7.8%
Skandinaviska Enskilda Banken Ab klientid	6.6%
HANSA IDA-EUROOPA AKTSIAFOND	5.5%

Earnings per share	Thousands of kroons		Thousands of euros	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
Net profit for the financial year	67 573	55 682	4 319	3 559
Average number of shares (in thousands)	13 200	13 200	13 200	13 200
Earnings per share in kroons	5,12	4,22	0,33	0,27

The Parent has no potential ordinary shares and therefore the basic earnings per share and diluted earnings per share are equal.

7. Segment information

Primary reporting format – by product lines (thousands of kroons)

	Safety belts M9 Y2007	Other products M9Y2007	Unallocated M9 Y2007	Total M9 Y2007	Safety belts M9 Y2006	Other products M9 Y2006	Unallocated M9 Y2006	Total M9 Y2006
Segment revenue	693 562	201 370		894 932	636 611	153 914		790 525
Incl. revenue form other segments		0		0		-29 904		-29 904
Revenue from third parties	693 562	201 370		894 932	636 611	124 010		760 621
Segment expenses	-577 363	-171 442	-74 279	-823 084	-536 556	-112 053	-47 184	-695 793
Segment results	116 199	29 928	-74 279	71 848	100 055	11 957	-47 184	64 828
Total assets	359 621	68 224	605 410	1 033 255	331 525	65 811	551 425	948 761
Financial assets (excl. receivables)			501 262	501 262	0	0	450 762	450 762
Receivables and prepaid expenses	152 013	9 185	7 786	168 984	121 491	8 159	6 842	136 492
Inventories	84 879	24 968		109 847	79 591	19 243	0	98 834
Property, plant and equipment	122 728	34 071	96 362	253 162	130 443	38 409	93 821	262 673
Segment liabilities	115 131	34 187	14 812	164 130	85 797	17 918	7 544	111 259
Investments in non- current assets	29 208	6 023	2 494	37 725	14 640	3 666	4 461	22 767
Depreciation and amortisation	21 680	7 410	17 298	46 388	29 859	8 973	6 880	45 712

Segment information

Primary reporting format – by product lines (thousands of euros)

	Safety belts M9 Y2007	Other products M9Y2007	Unallocated M9 Y2007	Total M9 Y2007	Safety belts M9 Y2006	Other products M9 Y2006	Unallocated M9 Y2006	Total M9 Y2006
Segment revenue	44 327	12 870		57 197	40 687	9 837		50 524
Incl. revenue form other segments		0		0		-1 911		-1 911
Revenue from third parties	44 327	12 870		57 197	40 687	7 926		48 613
Segment expenses	-36 901	-10 957	-4 747	-52 605	-34 292	-7 161	-3 016	-44 469
Segment results	7 426	1 913	-4 747	4 592	6 395	764	-3 016	4 143
Total assets	22 984	4 360	38 693	66 037	21 189	4 206	35 242	60 637
Financial assets (excl. receivables)	0	0	32 036	32 036	0	0	28 809	28 809
Receivables and prepaid expenses	9 715	587	498	10 800	7 765	521	437	8 723
Inventories	5 425	1 596	0	7 021	5 087	1 230	0	6 317
Property, plant and equipment	7 844	2 177	6 159	16 180	8 337	2 455	5 996	16 788
Segment liabilities	7 358	2 185	947	10 490	5 484	1 145	482	7 111

Investments in non-current assets	1 867	385	159	2 411	936	234	285	1 455
Depreciation and amortisation	1 386	474	1 105	2 965	1 908	574	440	2 922

The primary segments of the Group are operational segments and the secondary segments are geographical segments.

Across Group's product lines main product line is car safety belts. Other product lines (car security system components, automobile details, metalwork, real estate activities) separately account for less than 10% from revenue and total assets of the Group and therefore are not disclosed as separate reportable segments.

Segment revenue is revenue reported in the Group's income statement that is directly attributable to a segment and the relevant portion of the Group's revenue that can be allocated on reasonable basis to a segment, whether from sales to external customers or from transactions with other segments of the Group.

Segment expenses is expense resulting from the operating activities of a segment that is directly attributable to the segment and the relevant portion of an expense that can be allocated on a reasonable basis to the segment, including expenses relating to sales to external customers and expenses relating to transactions with other segments of the same entity.

Segment expense does not include general administrative expenses and other expenses that arise at the Group level and related to the Group as a whole. Expenses incurred at the Group level are allocated on a reasonable basis to the segment, if these expenses relate to the segment's operating activities and they can be directly attributed or allocated to the segment.

Segment result is segment revenue less segment expenses.

Segment assets are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment assets include current assets, property, plant and equipment and intangible assets related to the operating activities. If a particular item of depreciation or amortization is included in segment expense, the related asset is also included in segment assets. Segment assets do not include assets used for general Group or head-office purposes or which cannot be allocated directly to the segment. Segment assets include operating assets shared by two or more segments if a reasonable basis for allocation exists.

Secondary reporting format – Revenue by geographical markets

	Thousands of kroons		Thousands of euros	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
Sweden	454 049	443 939	29 019	28 373
Russia	357 136	228 261	22 825	14 589
Germany	38 241	32 787	2 444	2 095
Estonia	9 156	12 722	585	813
Czech Republic	9 063	8 352	579	534
Belgium	5 664	3 081	362	197
Ukraine	7 381	11 205	472	716
Finland	5 105	4 767	326	305
France	3 560	4 886	228	312
Poland	2 981	3 581	190	229
Spain	855	1 214	55	78
Great Britain	838	4 412	54	282
Other countries	903	1 414	58	90
Total:	894 932	760 621	57 197	48 613

The Group's (except Norma-Osvar ZAO's) inventories and property, plant and equipments are located in Estonia. Norma-Osvar ZAO's assets in the total amount of 6 419 thousand kroons or 410 thousands euros (30.09.2006: 7 842 thousands kroons or 501 thousands euros) are located in Russian Federation, incl. property, plant and equipment in the amount of 705 thousand kroons or 45 thousands euros (30.09.2006: 830 thousands kroons or 53 thousands euros).

In the opinion of the management the pricing used in transactions between segments does not differ significantly market prices.

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8. Cost of sales	Thousands of kroons		Thousands of euros	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
Raw materials	-552 261	-447 968	-35 296	-28 630
Personnel expenses	-120 452	-99 308	-7 698	-6 347
Depreciation and amortisation	-43 349	-42 312	-2 771	-2 704
Utilities	-12 240	-10 704	-782	-684
Repairs and maintenance	-4 899	-4 516	-313	-289
Transportation	-19 435	-15 953	-1 242	-1 020
Others	-14 278	-20 593	-913	-1 316
	-766 914	-641 354	-49 015	-40 990

9. Transactions with related parties	Thousands of kroons		Thousands of euros	
	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006	01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
Purchases from companies of Autoliv Group	198 005	132 270	12 655	8 454
incl. Autoliv AB	499	537	38	50
Sales to companies of Autoliv Group	487 915	475 205	31 183	30 371
incl. Autoliv AB	90	0	6	0

	Thousands of kroons		Thousands of euros	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
Receivables from companies of Autoliv Group	65 814	56 667	4 206	3 622
incl. Autoliv AB	0	0	0	0
Payables to companies of Autoliv Group	47 886	17 491	3 060	1 118
incl. Autoliv AB	31	296	2	19
Short-term deposits in treasury of Autoliv Group	445 928	372 389	28 500	23 800

10. Balance sheet of AS Norma (the Parent)

	31.03.2007 (as published earlier)	30.06.2007 (as published earlier)	31.03.2007 (adjusted)	30.06.2007 (adjusted)	Thousands of kroons	
					30.09.2007	31.12.2006
A s s e t s						
Current assets						
Cash in hand and deposits	72 525	143 913	72 529	143 915	59 682	88 853
Short-term investments	443 716	400 121	443 716	400 121	439 471	415 553
Receivables	160 687	172 728	158 386	168 849	173 933	138 991
Prepaid expenses	1 297	1 031	1 299	1 032	881	773
Inventories	97 665	105 784	97 665	105 784	108 013	85 604
Total current assets	775 890	823 577	773 595	819 701	781 980	729 774
Non-current assets						
Long-term investments	12 116	12 116	24	24	24	12 116
Long-term receivables	384	278	384	278	284	378
Property, plant and equipment	239 472	231 055	253 847	244 428	240 209	235 076
Intangible assets	13 300	12 700	13 492	12 867	12 248	13 589
Total non-current assets	265 272	256 149	267 747	257 597	252 765	261 159
Total assets	1 041 162	1 079 726	1 041 342	1 077 298	1 034 745	990 933
Liabilities and equity						
Liabilities						
Current liabilities						
Payables	153 950	245 328	144 669	233 751	161 953	131 019
Deferred income	521	847	1 240	1 223	1 937	546
Total current liabilities	154 471	246 175	145 909	234 974	163 890	131 565
Total liabilities	154 471	246 175	145 909	234 974	163 890	131 565
Equity						
Share capital (par value)	132 000	132 000	132 000	132 000	132 000	132 000
Statutory reserve	13 200	13 200	13 200	13 200	13 200	13 200
Retained earnings	714 168	648 168	723 240	657 240	657 240	628 263
Net profit	27 323	40 183	26 993	39 884	68 415	85 905
Total equity	886 691	833 551	895 433	842 324	870 855	859 368
Total liabilities and equity	1 041 162	1 079 726	1 041 342	1 077 298	1 034 745	990 933

AS NORMA (Parent Company) balance sheet

	31.03.2007 (as published earlier)	30.06.2007 (as published earlier)	31.03.2007 (adjusted)	30.06.2007 (adjusted)	Thousands of euros	
					30.09.2007	31.12.2006
A s s e t s						
Current assets						
Cash in hand and deposits	4 635	9 198	4 635	9 198	3 815	5 679
Short-term investments	28 359	25 572	28 359	25 572	28 087	26 559
Receivables	10 269	11 039	10 123	10 791	11 116	8 883
Prepaid expenses	83	66	83	66	56	49
Inventories	6 242	6 761	6 242	6 761	6 903	5 471
Total current assets	49 588	52 636	49 442	52 388	49 977	46 641
Non-current assets						
Long-term investments	774	774	2	2	2	774
Long-term receivables	25	18	24	18	18	24
Property, plant and equipment	15 305	14 767	16 224	15 622	15 352	15 024
Intangible assets	850	812	862	822	783	869
Total non-current assets	16 954	16 371	17 112	16 464	16 155	16 691
Total assets	66 542	69 007	66 554	68 852	66 132	63 332

Liabilities and equity

Liabilities

Current liabilities	9 839	15 679	9 246	14 940	10 350	8 374
Payables	33	54	79	78	124	35
Deferred income	9 872	15 733	9 325	15 018	10 474	8 409
Total current liabilities	9 872	15 733	9 325	15 018	10 474	8 409
Total liabilities						
Equity	8 436	8 436	8 436	8 436	8 436	8 436
Share capital (par value)	844	844	844	844	844	844
Statutory reserve	45 644	41 425	46 224	42 005	42 005	40 153
Retained earnings	1 746	2 568	1 725	2 549	4 373	5 490
Net profit	56 670	53 274	57 229	53 834	55 658	54 923
Total equity	66 542	69 007	66 554	68 852	66 132	63 332

With regard to AS Tööriistavabrik merger with AS Norma on 01.01.2007 parent company's Q1 Y2007 and Q2 Y2007 reports data has been corrected retroactively. At the time of publishing Q1 Y2007 and Q2 Y2007 reports, the merger of 100% subsidiary company was not complete; entry in the Commercial Register was made 04.09.2007.

11. Income statement of AS Norma (the Parent)

	01.01.2007- 31.03.2007 (as published earlier)	01.01.2007- 30.06.200 (as published earlier)	01.01.2007- 31.03.2007 (adjusted)	01.01.2007- 30.06.2007 (adjusted)	Thousands of kroons	
					01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
Revenue	281 525	592 171	283 104	593 871	893 750	745 446
Cost of sales	-243 454	-509 495	-243 835	-509 832	-766 308	-631 293
Gross profit	38 071	82 676	39 269	84 039	127 442	114 153
Marketing and distribution costs	-5 326	-11 893	-5 326	-11 893	-21 126	-11 024
Research and development expenses	-6 110	-11 518	-6 110	-11 518	-15 060	-26 436
General administrative expenses	-6 375	-13 125	-7 071	-13 828	-20 985	-14 867
Other operating income	2 564	3 533	1 723	2 571	3 481	3 721
Other operating expenses	-83	-502	-84	-503	-1 063	-755
Operating profit	22 741	49 171	22 401	48 868	72 689	64 792
Financial items	4 582	9 627	4 592	9 631	14 341	10 514
Profit before taxes	27 323	58 798	26 993	58 499	87 030	75 306
Income tax expense	0	-18 615	0	-18 615	-18 615	-19 714
Net profit	27 323	40 183	26 993	39 884	68 415	55 592

	01.01.2007- 31.03.2007 (as published earlier)	01.01.2007- 30.06.200 (as published earlier)	01.01.2007- 31.03.2007 (adjusted)	01.01.2007- 30.06.2007 (adjusted)	Thousands of euros	
					01.01.2007- 30.09.2007	01.01.2006- 30.09.2006
Revenue	17 993	37 847	18 094	37 955	57 121	47 643
Cost of sales	-15 560	-32 563	-15 584	-32 584	-48 976	-40 347
Gross profit	2 433	5 284	2 510	5 371	8 145	7 296
Marketing and distribution costs	-340	-760	-340	-760	-1 350	-705
Research and development expenses	-390	-736	-391	-736	-963	-1 690
General administrative expenses	-407	-839	-452	-884	-1 341	-950
Other operating income	164	226	110	164	223	238
Other operating expenses	-5	-32	-5	-32	-68	-48
Operating profit	1 453	3 143	1 432	3 123	4 646	4 141
Financial items	293	615	293	616	916	672
Profit before taxes	1 746	3 758	1 725	3 739	5 562	4 813
Income tax expense	0	-1 190	0	-1 190	-1 190	-1 260
Net profit	1 746	2 568	1 725	2 549	4 373	3 553

12. Statement of changes in equity of AS Norma (the Parent)

	Share capital (par value)	Statutory Reserve	Thousands of kroons Retained earnings	Total equity
31.12.2005	132 000	13 200	694 262	839 462
Dividends			-66 000	-66 000
Net profit			55 592	55 592
30.09.2006	132 000	13 200	683 854	829 054
Net profit	-	-	30 314	30 314
31.12.2006	132 000	13 200	714 168	859 368
Net profit			27 323	27 323
31.03.2007 (as published earlier)	132 000	13 200	741 491	886 691
Dividends			-66 000	-66 000
Net profit			12 860	12 860
30.06.2007 (as published earlier)	132 000	13 200	688 391	833 551
31.12.2006	132 000	13 200	714 168	859 368
Association			9 072	9 072
Net profit			26 993	26 993
31.03.2007 (adjusted)	132 000	13 200	750 233	895 433
Dividends			-66 000	-66 000
Net profit			12 891	12 891
30.06.2007 (adjusted)	132 000	13 200	697 124	842 324
Net profit			28 531	28 531
30.09.2007	132 000	13 200	725 655	870 855

	Share capital (par value)	Statutory Reserve	Thousands of euros Retained earnings	Total equity
31.12.2005	8 436	844	44 371	53 651
Dividends			-4 218	-4 218
Net profit			3 553	3 553
30.09.2006	8 436	844	43 706	52 986
Net profit			1 937	1 937
31.12.2006	8 436	844	45 643	54 923
Net profit			1 746	1 746
31.03.2007 (as published earlier)	8 436	844	47 390	56 670
Dividends			-4 218	-4 218
Net profit			822	822
30.06.2007 (as published earlier)	8 436	844	43 994	53 274
31.12.2006	8 436	844	45 643	54 923
Association			580	580
Net profit			1 725	1 725
31.03.2007 (adjusted)	8 436	844	47 948	57 229
Dividends			-4 218	-4 218
Net profit			824	824
30.06.2007 (adjusted)	8 436	844	44 554	53 834
Net profit			1 824	1 824
30.09.2007	8 436	844	46 378	55 658

Pursuant to the Commercial Code the statutory reserve amounts to 10% of the share capital.

The statutory reserve can be used for covering the loss or increasing the share capital. The Statutory reserve cannot be paid out as dividends.

Signatures of the Management Board to the Q3 Y2007 Interim Report

Q3 Y2007 Interim Report of AS Norma which is approved by the Management Board, signed on 30. November 2007:



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 Carlson
Member of the Management Board