AS Norma

Interim report for the period Q4 Y2009

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Beginning and end of the reporting period	01.01.2009 - 31.12.2009

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MANAGEMENT REPORT

Field of activity

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

Developments in the operating environment

Markets

On one of AS Norma’s biggest markets – Russia – the new passenger cars' sales dropped by 49% to 1.47 million cars during 2009 compared to same period in 2008. The sales of AvtoVAZ in Russia declined by 44% to 349 thousand cars and the market share reached 24% (2008: 22%).

597 thousand passenger cars were produced in Russia during 2009, a 59% less compared to a year ago. Assembling the foreign car models declined less (-53%) then production of domestic models (-64%). Domestic car producers were prevalently closed in January and August. The share of Russian models in passenger car production was 53%. AvtoVAZ produced 295 thousand cars (-63%). In Q4 2009, AvtoVAZ passenger car sales reached 80 thousands cars, which is 11% less than in Q3 2009, production, on the other hand, increased by 44% compared to previous quarter, up to 92 thousand cars.

AS Norma participates in the Western car market mainly in co-operation with its parent company Autoliv AB. The biggest end-customer for seatbelt sales is Volvo Car Corporation. The seatbelts produced in AS Norma are delivered to Volvo’s Belgian and Swedish factories, to a smaller extent also to China. In 2009, the amount of belts delivered through Autoliv decreased 37% compared to the 2008. The seatbelts are also delivered to Saab Automobile, Volvo Group (Volvo Trucks, Volvo Buses) and to other bus and truck companies. In 2009, this segment fell only 10% compared to the same period the year before.

Estonian economic environment

AS Norma exports 98-99% of its products. Our partners are automotive companies and their subcontractors. In this industry the price pressure is extremely high and the constant decline of sales prices is the norm. The ongoing downturn throughout 2009 further toughened the competition due to excess production capacity. At the same time, AS Norma imports most of the materials, the prices of which are very much dependent on the world market for raw material prices. The constraints on subcontracting possibilities for different production technologies in Estonia will slow down the development of the Group in the long run.

Seasonal nature of the business

The vast majority of car manufacturers had collective vacations in December (between Christmas and New Year).
The turnover of AS Norma, as the supplier, was thus considerably lower during this period.

Highlights of the financial year

Production

The production volumes stabilised in the fourth quarter and were among the highest in 2009 during all three months; therefore, the Group did not apply a part-time working time.

Quality management

The Q4, 2009 indicators on quality were:

1) the number of products returned from clients per million products (PPM): 2.0;
2) delivery precision on average 99.5%

Investments made in the financial year

During the twelve months of 2009, the Group invested 37.8 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 were distributed as follows:

Metal processing equipment	19.7 million kroons	(1.26 million euros)
Buildings and facilities	11.7 million kroons	(0.74 million euros)
Quality testing and environmental protection equipment	3.1 million kroons	(0.20 million euros)
Assembly lines	1.7 million kroons	(0.11 million euros)
Information technology	1.0 million kroons	(0.06 million euros)
Plastic injection moulding equipment	0.6 million kroons	(0.04 million euros)

Financial highlights of the Group

Economic activities	**Q4 2009 mil. EEK***	Q4 2008 mil. EEK*	Q4 2007 mil. EEK*	Q4 2006 mil. EEK*	Q4 2005 mil. EEK*	**Q4 2009 mil. €***	Q4 2008 mil. €*	Q4 2007 mil. €*	Q4 2006 mil. €*	Q4 2005 mil. €*
Revenue	**249**	314	369	287	239	**15.9**	20.1	23.6	18.3	15.3
Change to previous year %	**-20.6**	-14.9	28.6	20.0						
Gross profit	**32.3**	40.9	62.9	47.0	40.9	**2.1**	2.6	4.0	3.0	2.6
Change to previous year %	**-20.9**	-35.0	33.8	14.9						
Gross profit margin[1]	**13.0**	13.0	17.1	16.4	17.1					
Operating profit	**27.5**	24.8	32.4	26.6	17.9	**1.8**	1.6	2.1	1.7	1.1
Change to previous year %	**11.1**	-23.5	21.6	48.6						
Operating profit margin[2]	**11.0**	7.9	8.8	9.3	7.5					
EBITDA[3]	**40.3**	37.5	48.3	42.3	34.3	**2.6**	2.4	3.1	2.7	2.2
Change to previous year %	**7.5**	-22.2	14.2	23.3						
Profit before taxes	**31.9**	32.4	38.4	30.0	20.2	**2.0**	2.1	2.5	1.9	1.3
Change to previous year %	**-1.5**	-15.6	27.7	48.5						
Pre-tax profit margin[4]	**12.8**	10.3	10.4	10.5	8.5					
Net profit	**31.9**	32.4	38.4	30.0	20.2	**2.0**	2.1	2.5	1.9	1.3
Change to previous year %	**-1.5**	-15.6	27.6	48.5						
Net profit margin[5]	**12.8**	10.3	10.4	10.5	8.5					
Working capital[6]	**633**	709	579	514	366	**40.4**	45.3	37.0	32.8	23.4
Change to previous year %	**-10.8**	22.6	12.6	40.4						
Average no of employees	**618**	948	972	941	935					
Change to previous year %	**-34.8**	-2.5	3.3	0.6						
Share related figures										
Number of shares (millions)	**13.2**	13.2	13.2	13.2	13.2					
Earnings per share[7]	**2.4**	2.5	2.9	2.3	1.5	**0.15**	0.16	0.19	0.15	0.10
Change to previous year %	**-1.4**	-15.8	27.6	48.8						
Equity per share[8]	**70.7**	74.1	68.7	65.7	64.2	**4.5**	4.7	4.4	4.2	4.1
Change to previous year %	**-4.6**	7.8	4.6	2.3						

* Excluding margins, change %, number of employees and shares related figures
[1] Gross profit margin –gross profit/revenue
[2] Operating profit margin – operating profit/revenue
[3] EBITDA- earnings before interest and taxes; depreciation and amortisation added
[4] Pre-tax profit margin – profit before tax/revenue
[5] Net profit margin – net profit/revenue
[6] Working capital – current assets except for cash and cash equivalents (deposits with maturity < 3 months; interest fund shares) less current liabilities
[7] Earnings per share – net profit per share in kroons (in euros): the company has no contingently issuable common shares, therefore diluted EPS equals to basic EPS
[8] Equity per share – total equity/number of shares in kroons (in euros)

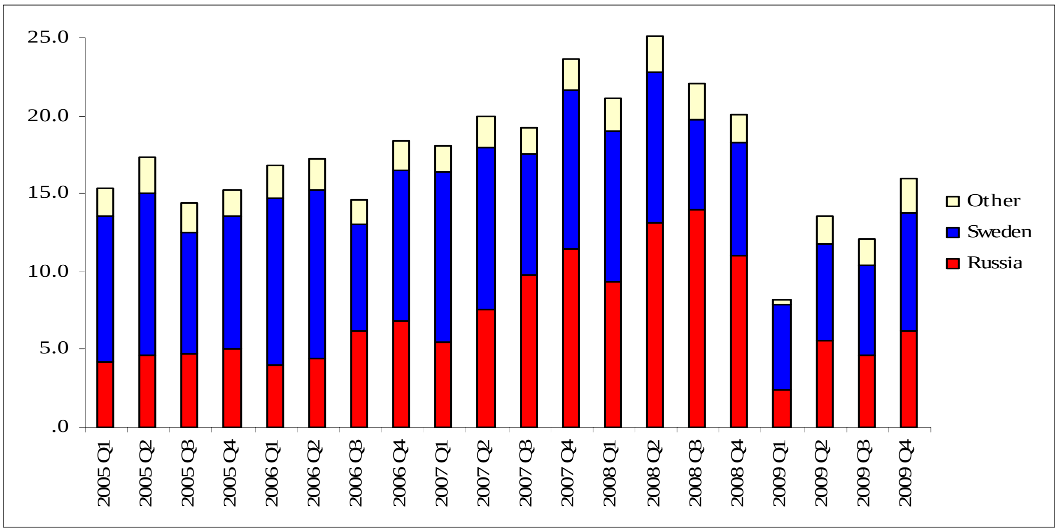
Sales

In Q4, 2009, the revenue of AS Norma totalled 249 million kroons (15.9 million euros). This constitutes a 21% (65 million kroons, 4.1 million euros) decrease compared to the same period last year. Export accounted for 99.2% of total sales in the fourth quarter (Q4 2008: 98.8%) - 48% to Sweden and 39% to Russian customers (Q4 2008: respectively 44% and 49%).

Sales to Russian and Ukrainian customers fell by 47% in the fourth quarter of 2009, and sales to other customers decreased by 19% compared to the same period a year ago. At the same time, the sales in the fourth quarter grew by 32% compared to the third quarter of 2009.

Sales to parent company Autoliv amounted to 138 million kroons (8.8 million euros), a 9% increase compared with the same period a year ago.

Quarterly export 2005-2009 (millions of euros)



In 2009, the revenue totalled 799 million kroons (51.0 million euros), 42% less compared with 2008. Sales to Russian and Ukrainian customers declined by 61%, and sales to other customers decreased by 20%. Sales to parent company Autoliv amounted to 453 million kroons (29.0 million euros), a decline 20% compared with the same period a year ago.

Other major Western customers included Khimaira (Volvo buses), Karosa, Iris Bus-IVECO and Intersafe, who mostly require seatbelts for buses and trucks. Sales in the sector declined by 21% compared to 2008.

Expenses

Cost of goods sold decreased during the fourth quarter of 2009 by 21% compared with the same period in 2008, making up 87% (2008 Q4: 87%) of revenue. Cost for raw material decreased 14%, amounting to 170 million kroons (10.9 million euros), making up 68% (2008 Q4: 63%) of revenue.

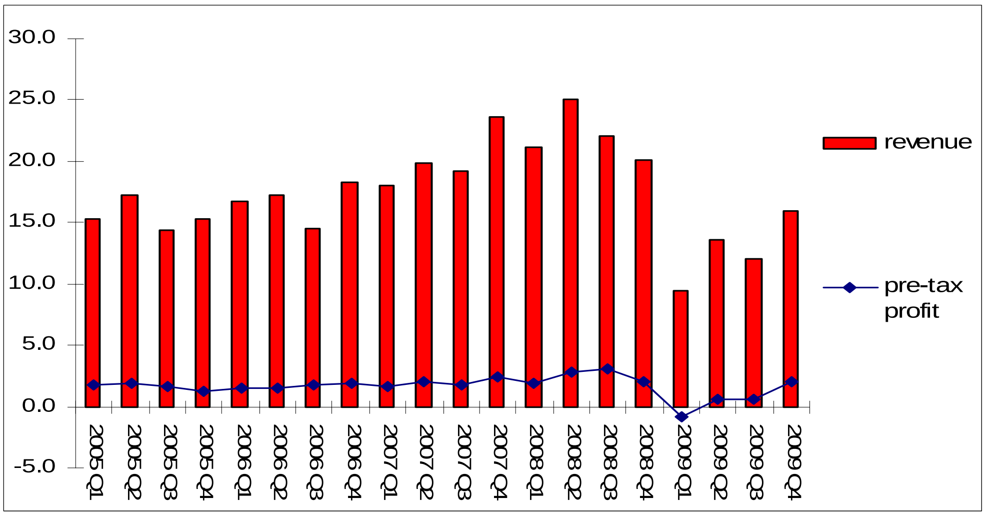
Personnel expenses in production departments amounted to 30 million kroons (1.9 million euros) in the fourth quarter of 2009, a 31% drop compared with the same period in 2008. Personnel expenses in production departments made up 12% of revenue (2008 Q4: 14%).

The marketing and development expenses decreased in total by 7%, the decrease in general administrative expenses of 9.2 million kroons (0.6 million euros) comprises a nonrecurrent income of 5.6 million kroons (0.4 euros) from a decrease in provision for doubtful receivables.

During 2009, the cost of products sold has decreased 38%, amounting to 92% of revenue (2008: 86%). The marketing, development and general administrative expenses have decreased by 39% compared to 2008.

Profit and profitability

The Group's revenue and profit dynamics by quarters: 2005 - 2009 (in millions of euros)



The Group's unaudited operating profit for the fourth quarter of 2009 was 28 million kroons (1.8 million euros), an operating profit margin made up 11% of revenue. The same time last year an operating profit was earned in the amount of 25 million kroons (1.6 million euros). In the fourth quarter 2009, a 5.6 million kroons (0.36 million euros) were shown as a nonrecurrent profit representing a decrease in provision for doubtful receivables.

The net profit amounted to 32 million kroons (2.0 million euros) in the last quarter of the year, which made up 13% from revenue. At the comparable period in 2008, a net profit made up 10% from revenue.

In all, 2009 operating profit amounted to 14 million kroons (0.9 million euros), i.e. 1.7% from revenue. In 2008, the operating profit margin was 9.0% from revenue. The operating profit decreased within a year by 110 million kroons (7.0 million euros), at the same time, the cash flow from the operating activities, in fact, increased by 3 million kroons (0.2 million euros), amounting to 149 million kroons (9.5 million euros).

The unaudited net profit in 2009 was 21 million kroons (1.3 million euros), i.e. 2.6% from revenue. The 2008 net profit margin was 9.9%. The Group's restructuring costs amounted to 12.9 million kroons (0.8 million euros) in 2009, a mark-down of property, plant and equipment to 6.4 million kroons (0.4 million euros), and the provision for doubtful receivables was increased by 3.6 million kroons (0.23 million euros).

Cash flows and capital appropriation

For the 12 months of 2009, the Group's cash flow from operating activities amounted to 149 (12 months 2008: 146) million kroons - i.e. 9.5 (2008: 9.4) million euros. The foremost change compared to the same period last year derived, above all, from the drop in profit by 116 million kroons (7.4 million euros). The current receivables have decreased by 52 million kroons (3.3 million euros) and inventories have decreased by 33 million kroons (2.1 million euros).

The company's investments in property, plant and equipment and intangible assets were 38 (2008: 51) million kroons or 2.4 (2008: 3.3) million euros, the total cash flow from investments during the period was -12 million kroons (2008: -119) or -0.8 (2008: -7.6) million euros.

The net cash flow in 2009 was 53 (2008: -56) million kroons or 3.4 (2008: -3.6) million euros.

At the end of December 2009, the cash and liquid securities made up 61.9% (31.12.2008: 54.0%) of the total assets. As of December 31, 2009, the company's working capital (short-term investments, receivables, prepayments, inventories less current liabilities) amounted to 633 (31.12.2008: 709) million kroons or 40.4 (31.12.2008: 45.3) million euros, and the working capital used for main activities (receivables, prepayments, inventories less current liabilities) to 79 (31.12.2008: 156) million kroons or 5.1 (31.12.2008: 9.9) million euros.

AS Norma kept a traditionally conservative profile in managing liquidity and making financial investments in the fourth quarter of 2009. The financial recourses were placed in Estonian banks in Estonian kroon and euro deposits of different terms of maturity, and in Autoliv AB Treasury deposits. In the fourth quarter of 2009, the new agreements in the amount of 4.9 million euros were entered into with Autoliv AB. The exact data on allocation of financial recourses is presented in Notes 1 and 2 to the consolidated financial statements.

Non-current assets made up 21% (31.12.2008: 22%) of the assets, having dropped within a year by 21 million kroons (1.4 million euros) due to a decrease in the value of property, plant and equipment and intangible assets.

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

The Group's equity decreased by 45 million kroons (2.9 million euros), amounting to 933 (31.12.2008: 979) million kroons or 59.7 (31.12.2008: 62.6) million euros by the end of the accounting period. Equity made up 91% (31.12.2008: 91%) of the total assets. At the end of December, available equity amounted to 788 (31.12.2008: 833) million kroons or 50.4 (31.12.2008: 53.3) million euros.

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 since the shares were first listed in 1997.

It was decided by AS Norma shareholders' meeting, held on May 12, 2009, to pay out 66.0 million kroons (4.2 million euros) - i.e. 5 kroons (0.32 euros) per share, similarly to the previous six years. The dividends were paid out July 3, 2009.

Both diluted and basic EPS at the end of December were 1.6 kroons (0.10 euros), a year ago the same indicator was 10.4 kroons (0.66 euros), equity per share was 70.7 (31.12.2008: 74.1) kroons or 4.5 (31.12.2008: 4.7) euros.

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

Stock price movement (in euros) and transaction volume in the Tallinn Stock Exchange from January 1, 2009 till December 31, 2009.

As of 31.12.2009, 1612 (31.12.2008: 1458) shareholders have been listed in AS Norma's share register. The following shareholders held over 3% of the shares:

Autoliv Ab	51.0%
ING Luxembourg S.A.	10.0%
Skandinaviska Enskilda Banken Ab clients	6.7%
Marfin Pank Eesti AS Repokonto	3.8%

The shareholders of AS Norma can be grouped as follows: 59.4% (31.12.2008: 59.1%) residents of Sweden, 17.5% (31.12.2008: 20.0%) residents of Estonia, 13.1% (31.12.2008: 13.0%) residents of Luxembourg, and 10.0% (31.12.2008: 7.9%) residents of other countries. 8.7% (31.12.2008: 7.5%) of the shareholders are natural persons, 1.0% of the shares are registered in the name of equity funds and 39.3% by companies. The AS Norma's parent company is listed at the New York Stock Exchange.

As of 31.12.2009, the members of the Supervisory Board of AS Norma and their family members 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 their family members 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

The Group's principal financial instruments are cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The Group’s liabilities are limited to debts to contractors and other short-term liabilities; there are no loan commitments or any other financial instruments among the liabilities.

The Group is exposed to the market, credit and liquidity risks. The Management Board of AS Norma is accountable to managing these risks, following the decisions and declared principles set by the Supervisory Board of AS Norma.

Market risk

Market prices comprise three types of risk: interest rate risk, currency risk and equity price risk.

<u>Interest rate risk</u>
AS Norma does not use debt financing and therefore has no interest bearing liabilities, whereof the future cash flow’s fair value could be influenced because of changes in market interest rates.

<u>Foreign currency risk</u>
The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to the Group’s operating activities (when revenue or expense are denominated in a different currency from the Group’s functional currency) and the Group’s net investments in foreign subsidiary.

In the fourth quarter of 2009, 99.2% (2008 Q4: 98.8%) of the Group’s revenue was export sales, made mainly in euros. The Group’s expenses were primarily in Estonian kroons, euros, Swedish crowns and Russian roubles. Main sales and purchase contracts are denominated in euros in order to spread the currency risk. The risks related to other currencies than euro are monitored either by matching the incoming and outgoing cash flows of the same currency, or fixing contractual payments at euro exchange rate.

The net assets of the Russian subsidiary are low and the currency risk-spreading of these assets is not economical.

Short-term investments are diversified between Estonian kroons and euros. No hedge accounting instruments were used for covering currency risks.

Credit risk

The Group is exposed to credit risk primarily from its operating activities (for trade receivables) and from its financing activities (for deposits).

<u>Trade receivables risk</u>
This is particularly important regarding the ability of the Group’s major customers to pay for goods supplied. Credit is primarily extended only to long-term partners. In order to ensure the payments from its long-term clients, the Group is constantly monitoring and analysing their financial position and liquidity. If necessary, the Group requests bank guarantees to ensure payments. Prepayment or a letter of credit is required for single transactions or from new clients.

An allowance has been recorded to cover doubtful receivables. This allowance encompasses all accounts receivables, which are the object of dispute with the other party, and receivables, which the Management Board has reason to believe are not collectible.

Accounts receivable at the end of the fourth quarter of 2009 totalled 108 million kroons (6.9 million euros). For many years, the largest concentration of credit risk is related to our Russian and Ukrainian customers. The accounts receivable balances from the Russian, Ukrainian and Byelorussian clients as of December 31, 2009 amounted to 55 (31.12.2008: 102) million kroons or 3.5 (31.12.2008: 6.5) million euros.

As of 31 December 2009, a provision for doubtful receivables has been formed in the amount of 4.1 million kroons (0.3 million euros). In the fourth quarter 2009, the previously provisioned invoices were collected in the amount of 7.8 million kroons (0.5 million euros), uncollectible receivables were written off in the amount of 0.9 million kroons (0.06 million euros). An additional provision for doubtful receivables of 2.3 million kroons (0.15 million euros) was created.

Credit risk related to financial instruments and cash deposits
Credit risk from balances with banks and Autoliv AB Treasury is managed in accordance with the financial principles approved by the Supervisory Board: investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty (each party's credit limit does not exceed the 1/3 of all deposited resources). The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

Liquidity risk

The maturity of financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flow from operations are taken into consideration in the process of monitoring liquidity. As of December 31, 2009, the Group had no liabilities (except for vacation reserve) maturing later than 2 months after the end of period. As the share of cash and other short-term financial assets exceeds 50% of the Group's total assets, the management of the Group does not assess the liquidity risk as significant.

Capital management

The objective of the Group's capital management is to ensure that it maintains a strong statement of balance in order to support its day-to-day businesses and the company's strategic development. Due to the automotive industry's cyclicity, only financially capable and independent subcontractor can succeed. The unique market position of AS Norma, the bulk of sales of which is related to Russian and Ukrainian market with fluctuating liquidity, needs extra attention in capital management. The components' production, development of which is one of the Group's strategic goals, is a capital-intensive field. The Group did not use external financing in its operations. Investments into production and research and development were done from the Group's own funds.
AS Norma annually pays its shareholders the dividends to dispense the earned capital, the share buyout has not been used due to its scarce trading.

The decision regarding dividend payments is taken by the management based on the Group's financial results, plans for development, and also considering the general macroeconomic developments in Estonia and in the markets for the Group's products.

Fair value

In the opinion of the Group's management there are no significant differences between the carrying value and the fair value of financial assets and liabilities of the Group, which has been determined using market value for interest fund shares and discounted cash flow method for cash (incl. deposits), bonds, other receivables and payables.

Consolidation group structure

In the fourth quarter Y2009, AS Norma Group included AS Norma and one subsidiary in Russia fully owned by AS Norma.

The audit consultation company "Konsuelo" (licence nr E000961, effective 25.06.2002 – 25.06.2012), situated in Russia, Vladimir city, is the auditor of the Russia-based subsidiary ZAO Norma-Osvar.

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 Q4 2009, the parent company's turnover amounted to 248.3 (2008 Q4: 313.0) million kroons or 15.9 (2008 Q4: 20.0) million euros, net profit to 30.7 (2008 Q4: 32.5) million kroons or 2.0 (2008 Q4: 2.1) million euros, and equity as of 31.12.2009 to 935 (31.12.2008: 979) million kroons or 59.8 (31.12.2008: 62.6) million euros.

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 Q4 2009, the revenue of Norma-Osvar ZAO amounted to 1.4 (2008 Q4: 4.4) million kroons or 0.1 (2008 Q4: 0.3) million euros, loss to 0.9 (2008 Q4: loss 0.9) million kroons or 0.06 (2008 Q4: loss 0.05) million euros, and equity as of 31.12.2009 to -1.0 (31.12.2008: 0.2) million kroons or -0.06 (31.12.2008: 0.01) million euros. Sales to external customers amounted to 1.4 (2008 Q4: 3.7) million kroons or 0.1 (2008 Q4: 0.2) million euros. The goods to be sold by the subsidiary are supplied by the Parent.

Corporate Governance Report

As from 1st of January 2006, AS Norma follows the rules of Estonian Corporate Governance Recommendations (the "Recommendations"). This Corporate Governance Report (the "Report") describes the management practices of AS Norma in Q4 2009 and their accordance with guidelines given in the Recommendations. During the fourth quarter 2009 AS Norma to its knowledge complied with the Recommendations, except as otherwise stated in the Report.

AS Norma is a public limited company registered in Estonia under commercial register code 10043950, having its office located at Laki Str 14, 10621 Tallinn, Estonia. In 2009, AS Norma had a share capital of EEK 132,000,000, divided into same class registered shares with the par value EEK 10 each. AS Norma's shares are listed on the main list of the Tallinn Stock Exchange under the code NRM1T. Estonian Central Register of Securities administers the share register of AS Norma. AS Norma has 1612 shareholders as of 31st of December 2009. AS Norma is controlled by Autoliv AB, a Swedish car safety products' manufacturer. Autoliv AB is also the single largest shareholder in AS Norma.

General Meeting

Exercise of shareholders rights

The general meeting of shareholders is the highest governing body of AS Norma. Annual and extraordinary general meetings are held. Competence of the general meeting has been determined in the Estonian Commercial Code and the articles of association of AS Norma (the articles of association have been made available on AS Norma's website www.norma.ee). The general meeting is competent to consider, among other things, the annual report, distribution of profits, amendments to the articles of association and composition of the supervisory board. A shareholder may attend and vote at a general meeting of shareholders in person or by proxy. Each share entitles the shareholder to one vote.

AS Norma has one type of shares – registered common shares of the nominal value of ten Estonian kroons (EEK 10.00). Each share entitles its owner to one (1) vote at the general meeting of shareholders. AS Norma share capital is divided into thirteen million two hundred thousand (13,200,000) registered common shares. The shareholder has no right to demand the issuance of a share certificate in respect of a registered common share. The shareholder has no right to demand that a registered common share be exchanged for a bearer share. AS Norma registered common shares are freely transferable. No restrictions and settlements of right to vote exist. AS Norma has no knowledge of agreements between the shareholders in order to restrict the transfer of shares. In case of death of a shareholder, the share is transferred to the shareholder's successor. The share is considered transferred in respect of AS Norma upon entry of the acquirer of the share in the share register.

There have not been done takeover bids to AS Norma shares according to Securities Market Act Chapter 19.

Calling of general meeting of shareholders and information to be published

The management board will publish a notice to convene a general meeting of shareholders. The notice will be published in a national daily newspaper at least three weeks or one week prior to the meeting, depending on whether an annual or extraordinary general meeting will be held, respectively. The notice will specify the place where shareholders may examine the annual report, which will be made available at least two weeks prior to the meeting.

Management Board of AS Norma announced via Stock Exchange on the 25th of March 2009 the call that general shareholders' meeting will take place on the 12th of May 2009 at 9:00. Agenda of ordinary general meeting of AS Norma consisted of three items: approval of the annual report of AS Norma for 2008; distribution of profits and appointing an auditor, and determining the procedure for remuneration.

The net profit for 2008 amounted to EEK 137,218,728 (EUR 8,769,875). The Supervisory Board proposed to pay the shareholders (regular) dividends in the amount of 50 % of the nominal value of the share, i.e. 5 kroons per share (0,32 EUR/share), in the total amount of EEK 66 000 000 (EUR 4 218 169), and keep the remaining net profits as retained earnings. The Supervisory Board seconded the proposal.

The Management Board proposed to the general meeting of the shareholders to fix the list of the shareholders entitled to dividends on 26 May 2009 at 23:59. The Supervisory Board seconded the proposal. The dividends were paid out on 03rd of July 2009.

Hence in 2009 Q4 the general meeting of shareholders of AS Norma complied with the Recommendations.

Procedure of general meeting of shareholders

As a rule, the general meeting is competent to adopt resolutions if the represented votes represent over one-half of the shares. At the general meeting of shareholders, resolutions will be passed by the approval of a majority of the votes represented at the meeting, except certain resolutions, such as amending the articles of association, increasing or decreasing the share capital, merger, division, reorganisation or liquidation of AS Norma and removal of the supervisory board's member before the expiry of the term of office, which require the approval of a majority of at least 2/3 of the votes represented at the meeting.

Due to absence of technical means AS Norma decided not to transfer general meeting by internet or by other means of communications. Hereby the general meeting of shareholders of AS Norma will be held in accordance with the Recommendations, excl. the article 1.3.3 due to absence of technical means it will be impossible to watch the general meeting of AS Norma by means of communication.

Management Board

Duties

The management board is the executive body of AS Norma, competent to represent AS Norma and manage its activities. Chairman of the management board may alone represent AS Norma and other members jointly with another member. To achieve the purposes of AS Norma, the management board analyses the risks connected to the purpose of the activities and financial objectives of AS Norma, oversees the system of control and reporting. The management board of AS Norma has by its resolution established the rules of maintaining inside information of AS Norma group. The management board must adhere to the lawful orders of the supervisory board. During the fourth quarter 2009, there was constant information exchange between the management board and supervisory board of AS Norma, wherein the management board regularly provided the supervisory board with an overview of economic activities and financial situation of AS Norma. Management Board members have no authority to issue new shares or repurchase its own shares.

Composition and compensation

The supervisory board will elect and remove the members of the management board and appoint the chairman of the board. The management board comprises five to eight members who are elected for a term of three years. At the moment of compiling this report the management board composed of 6 members: chairman - Peep Siimon; members – Ülle Jõgi (Director Finance), Peeter Tõniste (Director Production), Sander Annus (Director Research and Development), Ivar Aas (Director Sales), and Garri Krieger (Director Quality). .

The chairman and members of the management board of AS Norma are residents of the member states of the European Economic Area. The members of the management board are at the same time not members of the supervisory board of AS Norma. The functions of the members of the management board are provided for in the contract of service entered into with each member of the management board.

Remunerations

The remuneration, severance pay paid to the members of the management board and the bonus system has been agreed in the contract of services entered into by and between the management board and the supervisory board. No stock options and other executive incentives have been issued to the members of the Management Board of the company. Pursuant to the management board member contract, compensation in the amount of the remuneration for 0-12 months is payable for termination of the employment relationship with a member of the Management Board, depending on the termination conditions. The maximum possible compensation payable under the management board member contracts is 4.751 thousand kroons.

Conflicts of interest

A member of the management board is prohibited, without the consent of the supervisory board, to compete with AS Norma. No significant transactions concluded between AS Norma and a member of its management board or persons connected to a management board member nor situations related to a conflict of interest have been reported to the supervisory board till compiling this report in 2010.

The chairman and the members of the management board are not at the same time in the management board or supervisory board of any other issuer. Peep Siimon, chairman of the management board of AS Norma, and Ülle Jõgi and Ivar Aas, members of the management board, are members of the supervisory board of ZAO Norma Osvar, a 100% subsidiary in the AS Norma Group.

Hence in 2009 Q4 the activities of the management board were in compliance with the Recommendations.

Supervisory Board

Duties

The supervisory board engages in oversight and longer-term management activities of AS Norma, such as supervising the management board, devising business plans, approving annual budgets and budget of investments. The supervisory board reports to the general meeting of shareholders. Transactions beyond the scope of everyday economic activities of AS Norma, such as acquisition and disposal of holdings in other companies, establishment and liquidation of subsidiaries, transactions with immovable, investments above set limits etc., require the consent of the supervisory board. The supervisory board has formed no committees.

Composition and compensation

The supervisory board presently has six members. On 19 June, 2008 by the general meeting of shareholders the chairman Halvar Jonzon and the members - Pär Malmhagen, Toomas Tamsar, Raivo Erik, Aare Tark and Leif Berntsson of supervisory board were elected for a term of three years. Being based on subsection 319 (2) of the Commercial Code and article 4.4 of the articles of association of AS Norma, which stipulate that the company's majority shareholder may, during the time between general meetings, remove not more than three members of the Supervisory board elected at a general meeting and appoint new members to replace them if such a need arises earlier than 1 (one) month before a general meeting. The majority shareholder of AS Norma, Autoliv AB (registry code 556036-1981, seat in Stockholm), holding 6,732,000 shares in AS Norma, i.e. 51.0% of the share capital of AS Norma (representing 6,732,000 votes), acting through its legal representative Marika Fredriksson, adopted the following resolutions:
1. To remove Pär Malmhagen DOB 03.02.1963 and Leif Berntsson DOB 29.11.1955 from the supervisory board of AS Norma as from 1 June 2009.
2. To appoint Günter Brenner DOB 30.10.1963 and Lars Sjöbring DOB 11.12.1967 as new members of the supervisory board of AS Norma for a term of 3 (three) years as from 1 June 2009.

Hence from 1st of June 2009 the composition of Supervisory Board is as follows: the chairman Halvar Jonzon and the members: Toomas Tamsar, Raivo Erik, Aare Tark, Günter Brenner and Lars Sjöbring.

In 2009 Q1 in total 3 meetings of the supervisory board were held – on 28 January 2009, 04 February 2009 and 24 March 2009. One meeting of the supervisory board was not attended by all the members of the supervisory board – on 04 February 2009 Mr Leif Berntsson did not attend.

On 24 March 2009 the supervisory board approved at the meeting of the supervisory board the annual report of AS Norma for 2008. The auditor Mr Hanno Lindpere of the auditing firm Ernst & Young Baltic AS was present.

In 2009 Q2 one meeting of the supervisory board was held – on 12th of May 2009.

In 2009 Q3 one meeting of the supervisory board was held – on 25th August 2009. Mr Günter Brenner did not attend at the meeting.

In 2009 Q 4 one meeting of the supervisory board was held – on 24th November 2009. All the members of supervisory board were attended.

With electing the current composition of the Council, AS Norma has not complied for all of its Council members with the Recommendations appendix (h) suggestion set for an independent Council member, – has not been an independent member of the Council more than ten (10) years. Members of the Council have been very active elaborating the new company strategy and it is important that the Council continues with present members even if it is in conflict with the Recommendations.

The amount of the remuneration of the members of the supervisory board was decided at the general meeting held on 25 April 2000, according to which the monthly remuneration of a member of the supervisory board is 10 000 kroons and the remuneration of the chairman of the supervisory board is 12 000 kroons. No stock options and other executive incentives have been issued to the members of the Supervisory Board of the company. No compensation is payable for termination of the employment relationship with a member of the Supervisory Board of the company.

Conflicts of interest

A member of the supervisory board may not participate in voting in the supervisory board's meeting if approval of the conclusion of a transaction between such member and AS Norma is being decided, or if approval of the conclusion of any transaction through a person connected to such member or through a company where such member has significant holding is being decided. A member of the supervisory board is prohibited, without respective resolution of the general meeting of shareholders, to compete with AS Norma. No conflicts of interest have been reported to the management board by the supervisory board members till compiling this report in 2010.

The members of the supervisory board have not approved any transaction in 2009 Q4 that would have been entered into by and between any member of the management board, person close to him or her, or any member of the supervisory board itself and the issuer.

Hence in 2009 Q4 the activities of the supervisory board were in compliance with the Recommendations excl. the criteria stipulated in Recommendations appendix (h).

Disclosure of Information

AS Norma has opened its website at www.norma.ee and discloses on its website directly or using links to the website of the Tallinn Stock Exchange the following data: articles of association (in Estonian), annual and interim reports, financial calendar, data on current membership of the management board, supervisory board and auditors.. No press conferences took place during the fourth quarter in 2009. No meetings with investors took place during the fourth quarter 2009.

Thus the activities of AS Norma regarding disclosure of information in 2009 Q4 were in accordance with the Recommendations.

Financial Reporting and Audit

Reporting

The consolidated financial statements of AS Norma have been prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU and on a historical cost basis, except as disclosed in the chapter of accounting policies and estimates in consolidated financial statements.

AS Norma is required to make public the quarterly tentative and final interim financial reports and the audited annual report immediately after its approval by the supervisory board.

Financial calendar of 2009:

Reporting period	Preliminary report	Final report	Audited report
Q1 2009	Apr.20, 2009	May 31, 2009	
Q2 2009	July 20,2009	Aug.28, 2009	
Q3 2009	Oct.19, 2009	Nov.30, 2009	
Q4 2009	Jan.27, 2010	Feb.26, 2010	
annual 2009			March 25, 2009

Audit

Number and names of auditors of AS Norma will be determined by a resolution of the general meeting of shareholders. Ernst & Young Baltic AS has been the auditor of AS Norma since 2005. The general meeting of shareholders on 12th of May 2009 decided to appoint auditing company Ernst &Young AS as an auditor of AS Norma for a time period of 1 (one) year. Supervisory Board will decide the remuneration of the auditor and will conclude the agreement with the auditor. The contract between AS Norma and the auditor Ernst & Young Baltic AS is confidential and therefore the auditor's fee is not public.

Peep Siimon
Chairman of Management Board

Garri Krieger
Member of Management Board

Ivar Aas
Member of Management Board

Peeter Tõniste
Member of Management Board

Ülle Jõgi
Member of Management Board

Sander Annus
Member of Management Board

CONSOLIDATED FINANCIAL STATEMENTS

Management Board's Confirmation on the Interim Financial Statements

The Management Board confirms the completeness and correctness of AS Norma Q4 Y2009 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

Sander Annus
Member of the Management Board

Peeter Tõniste
Member of the Management Board

Tallinn, February 26, 2010

Consolidated Statement of Financial Position

	Thousands of kroons		Thousands of euros		
A s s e t s	**31.12.2009**	31.12.2008	**31.12.2009**	31.12.2008	Lisa
Current assets					
Cash in hand and deposits	**82 907**	29 943	**5 299**	1 914	1
Financial assets	**553 334**	553 576	**35 365**	35 380	2
Receivables	**104 568**	155 647	**6 683**	9 948	3
Prepaid expenses	**990**	1 542	**63**	98	
Inventories	**68 648**	101 291	**4 387**	6 474	4
Total current assets	**810 447**	841 999	**51 797**	53 814	
Non-current assets					
Long-term receivables	**372**	329	**24**	21	
Property, plant and equipment	**210 470**	229 938	**13 451**	14 696	5, 8
Intangible assets	**7 179**	9 252	**459**	591	6, 8
Total non-current assets	**218 021**	239 519	**13 934**	15 308	
Total assets	**1 028 468**	1 081 518	**65 731**	69 122	8
Liabilities and shareholders´ equity					
Liabilities					
Current liabilities					
Payables	**94 794**	99 609	**6 059**	6 367	
Deferred income	**224**	408	**14**	26	
Provision	**0**	2803	**0**	179	10
Total current liabilities	**95 018**	102 820	**6 073**	6 572	
Total liabilities	**95 018**	102 820	**6 073**	6 572	
Owners` equity					
Share capital (par value)	**132 000**	132 000	**8 436**	8 436	7
Statutory reserves	**13 200**	13 200	**844**	844	
Retained earnings	**788 250**	833 498	**50 378**	53 270	
Total owners´ equity	**933 450**	978 698	**59 658**	62 550	
Total liabilities and owners´ equity	**1 028 468**	1 081 518	**65 731**	69 122	

Consolidated Statement of Comprehensive Income

Thousands of kroons

	01.10.09-31.12.09	**01.01.09-31.12.09**	01.10.08-31.12.08	01.01.08-31.12.08	Note
Revenue	**249 168**	**798 686**	313 992	1 382 140	8
Cost of sales	**-216 835**	**-735 061**	-273 091	-1 182 147	9
Gross profit	**32 333**	**63 625**	40 901	199 993	
Marketing and distribution costs	**-4 242**	**-13 558**	-4 362	-24 072	
Research and development expenses	**-2 724**	**-10 180**	-3 145	-16 244	
General administrative expenses	**586**	**-24 601**	-8 651	-38 869	
Other operating income	**1 649**	**5 226**	2 327	6 480	
Other operating expenses	**-74**	**-6 955**	-2 294	-3 332	
Operating profit	**27 528**	**13 557**	24 776	123 956	8
Financial income	**4 451**	**24 959**	7 619	31 014	
Financial expenses	**-106**	**-219**	-40	-208	
Profit before taxes	**31 873**	**38 297**	32 355	154 762	
Income tax expense	**0**	**-17 544**	0	-17 544	
Net profit	**31 873**	**20 753**	32 355	137 218	7
Basic and diluted earnings per share (in kroons)	**2,41**	**1,57**	2,45	10,40	7

Consolidated Statement of Comprehensive Income

Thousands of euros

	01.10.09-31.12.09	**01.01.09-31.12.09**	01.10.08-31.12.08	01.01.08-31.12.08	Note
Revenue	**15 925**	**51 045**	20 068	88 335	8
Cost of sales	**-13 858**	**-46 979**	-17 454	-75 553	9
Gross profit	**2 067**	**4 066**	2 614	12 782	
Marketing and distribution costs	**-271**	**-867**	-279	-1 539	
Research and development expenses	**-174**	**-651**	-201	-1 038	
General administrative expenses	**37**	**-1 572**	-553	-2 484	
Other operating income	**105**	**334**	149	414	
Other operating expenses	**-4**	**-444**	-147	-213	
Operating profit	**1 760**	**866**	1 583	7 922	8
Financial income	**284**	**1 595**	487	1 982	
Financial expenses	**-7**	**-14**	-2	-13	
Profit before taxes	**2 037**	**2 447**	2 068	9 891	
Income tax expense	**0**	**-1 121**	0	-1 121	
Net profit	**2 037**	**1 326**	2 068	8 770	7
Basic and diluted earnings per share (in euros)	**0,15**	**0,10**	0,16	0,66	7

Consolidated Statement of Changes in Equity

Thousands of kroons

	Share capital (par value)	Statutory Reserve	Retained earnings	Total equity
31.12.2007	**132 000**	**13 200**	**762 280**	**907 480**
Net profit			104 863	104 863
Dividends			-66 000	-66 000
30.09.2008	**132 000**	**13 200**	**801 143**	**946 343**
Net profit			32 355	32 355
31.12.2008	**132 000**	**13 200**	**833 498**	**978 698**
Net profit			-11 120	-11 120
Dividends			-66 000	-66 000
30.09.2009	**132 000**	**13 200**	**756 378**	**901 578**
Net profit			31 873	31 873
31.12.2009	**132 000**	**13 200**	**788 250**	**933 450**

Thousands of euros

	Share capital (par value)	Statutory Reserve	Retained earnings	Total equity
31.12.2007	**8 436**	**844**	**48 718**	**57 998**
Net profit			6 702	6 702
Dividends			-4 218	-4 218
30.09.2008	**8 436**	**844**	**51 202**	**60 482**
Net profit			2 068	2 068
31.12.2008	**8 436**	**844**	**53 270**	**62 550**
Net profit			-711	-711
Dividends			-4 218	-4 218
30.09.2009	**8 436**	**844**	**48 341**	**57 621**
Net profit			2 037	2 037
31.12.2009	**8 436**	**844**	**50 378**	**59 658**

Consolidated Cash Flow Statement

	Thousands of kroons		Thousads of euros		Note
	2009	2008	**2009**	2008	
Cash flows from operating activities					
Net profit	**20 753**	137 218	**1 326**	8 770	
Adjustments of operating profit					
Gain from disposals of property, plant and equipment	**-27**	-195	**-2**	-12	
Depreciation and amortisation	**52 758**	53 529	**3 372**	3 421	5,6,8
Impairment loss of property, plant and equipment	**6 408**	0	**410**	0	8
Income from interest	**-24 959**	-31 014	**-1 595**	-1 982	
Net exchange loss	**219**	208	**14**	13	
Net unrealised exchange gain	**-609**	-485	**-39**	-31	
Income tax expense	**17 544**	17 544	**1 121**	1 121	
Changes in assets related to operating activities, incl.:					
Short-term receivables and prepaid expenses, except loans and interests	**51 603**	11 262	**3 298**	720	
Inventories	**32 643**	4 679	**2 086**	299	4
Changes in liabilities, incl.:					
Payables	**-4 186**	-48 643	**-268**	-3 109	
Deferred income	**-184**	-407	**-12**	-26	
Provision	**-2 803**	2 803	**-179**	179	
Total cash flows from operating activities	**149 160**	146 499	**9 532**	9 363	
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment	**181**	342	**12**	22	
Acquisition of property, plant and equipment and intangible assets	**-37 778**	-50 896	**-2 414**	-3 253	5,6,8
Loans granted	**-90**	-67	**-6**	-4	
Loan repayments received	**55**	149	**3**	9	
Acquisition of short-term financial investments	**-968 665**	-1 070 763	**-61 909**	-68 434	
Proceeds from disposals of short-term financial investments	**965 108**	975 544	**61 681**	62 348	
Interest received	**28 756**	26 299	**1 838**	1 681	
Total cash flows from investing activities:	**-12 433**	-119 392	**-795**	-7 631	
Cash flows from financing activities					
Payment of income tax on dividends	**-66 000**	-66 000	**-4 218**	-4 218	
Dividends paid	**-17 544**	-17 544	**-1 121**	-1 121	
Total cash flows from financing activities:	**-83 544**	-83 544	**-5 339**	-5 339	
Net cash flows	**53 183**	-56 437	**3 398**	-3 607	
Changes in cash and cash equivalents					
Balance at the beginning of the year	**-90**	-67	**-6**	-4	
Increase/decrease of cash and cash equivalents	**55**	149	**3**	9	
Foreign exchange effect	**-968 665**	-1 070 763	**-61 909**	-68 434	
Cash and cash equivalents at the end of the year, incl.:	**965 108**	975 544	**61 681**	62 348	1
Cash in hand and deposits with maturity up to 3 months	**28 756**	26 299	**1 838**	1 681	1

Accounting Policies and Estimates

The consolidated financial statements 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 financial statements have been prepared in thousands of Estonian kroons (EEK).

In accordance with the revised and new standards additional disclosures were added to the financial statements.

Changes in accounting policies

The consolidated financial report is composed based on consistency and comparability principles, which means that the Group continually applies same accounting principles and presentation. Changes in accounting policies and presentation take place only if these are required by new or revised IFRS standards and interpretations or if new accounting policy and / or presentation gives a more objective overview of financial position, financial results and cash flows of the Group.

Adoption of new and/or changed IFRSs and IFRIC interpretations

The Group has adopted the following new and amended IFRS and IFRIC interpretations during the year:

- IFRS 8 *Operating Segments;*
- Amendment to IAS 1 *Presentation of Financial Statements;*
- Amendment to IAS 23 *Borrowing Costs;*
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 27 *Consolidated and Separate Financial Statements*
- Amendment to IFRS 2 *Share-based Payment;*
- Amendments to IFRS 7 *Financial Instruments: Disclosures;*
- Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements* – Puttable Financial Instruments and Obligations Arising on Liquidation;
- Amendments to IFRIC 9 *Reassessment of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement* – Embedded derivatives;
- IFRIC 13 *Customer Loyalty Programmes;*
- IFRIC 14 *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction;*
- IFRIC 15 *Agreement for the Construction of Real Estate;*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation;*
- Improvements to IFRS (issued in 2008 and effective on 1 January 2009).

The principal effects of these changes are as follows:

IFRS 8 *Operating Segments*
IFRS 8 replaced IAS 14 *Segment Reporting*. The Group concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14. IFRS 8 disclosures are shown in Note x, including the related revised comparative information.

Amendment to IAS 1 *Presentation of Financial Statements*
This amendment introduces a number of changes, including introduction of a new terminology, revised presentation of equity transactions and introduction of a new statement of comprehensive income as well as amended requirements related to the presentation of the financial statements when they are restated retrospectively. The Group has elected to present its comprehensive income in two statements.

Amendment to IAS 23 *Borrowing Costs*
The amendment requires capitalisation of borrowing costs that are directly attributable to the acquisition,
construction or production of a qualifying asset. The amendment will have no impact on the financial position or performance of the Group, as the Group does not have Borrowing Costs.

The other standards and interpretations and their amendments adopted in 2009 did not impact the financial statements of the Group, because the Group did not have the respective financial statement items and transactions addressed by these changes.

Standards issued but not yet effective

The Group has not applied the following IFRSs and IFRIC Interpretations that have been issued but are not yet effective:
Amendment to IFRS 2 *Share-based Payment* *(*effective for financial years beginning on or after 1 January 2010, once adopted by the EU).

The amendment clarifies the scope and the accounting for group cash-settled share-based payment transactions. The amendment will have no impact on the financial position or performance of the Group, as the Group does not have share-based payments.

Amendments to IFRS 3 *Business Combinations* and IAS 27 *Consolidated and Separate Financial Statements* (effective for financial years beginning on or after 1 July 2009).
Revised IFRS 3 (IFRS 3R) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to IAS 7 *Statement of Cash Flows*, IAS 12 *Income Taxes*, IAS 21 *The Effects of Changes in Foreign Exchange Rates*, IAS 28 *Investment in Associates* and IAS 31 *Interests in Joint Ventures*. In accordance with the transitional requirements of these amendments, the Group will adopt them as a prospective change. Accordingly, assets and liabilities arising from business combinations prior to the date of application of the revised standards will not be restated.

IFRS 9 *Financial Instruments* (effective for financial years beginning on or after 1 January 2013, once adopted by the EU).
IFRS 9 will eventually replace IAS 39. The IASB has issued the first part of the standard, establishing a new classification and measurement framework for financial assets. The Group has not yet evaluated the impact of the implementation of this standard.

Amendments to IAS 24 *Related Party Disclosures* (effective for financial years beginning on or after 1 January 2011, once adopted by the EU).
The amendments simplify the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. They also provide a partial exemption from the disclosure requirements for government-related entities. The implementation of these amendments will have no impact on the financial position or performance of the Group, however it may impact the related parties disclosures.

Amendment to *IAS 32 Financial Instruments: Presentation* – Classification of Rights Issues *(*effective for financial years beginning on or after 1 February 2010).
The amendment changes the definition of a financial liability to exclude certain rights, options and warrants. The amendment will have no impact on the financial position or performance of the Group, as the Group does not have such instruments.

Amendment to *IAS 39 Financial Instruments: Recognition and Measurement* – Eligible Hedged Items *(*effective for financial years beginning on or after 1 July 2009).
The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. The amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

Improvements to IFRSs
In May 2008 and April 2009 IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The second omnibus, issued in April 2009, is still to be adopted by the EU. The adoption of the following amendments (all not adopted by the EU yet) may result in changes to accounting policies but will not have any impact on the financial position or performance of the Group:

- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations.
- IFRS 8 *Operating Segments*. Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.
- IAS 7 *Statement of Cash Flows*. Explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities.
- *IAS 36 Impairment of Assets.* The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes.

Other amendments resulting from Improvements to IFRSs to the following standards will not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 2 *Share-based Payment;*
- IAS 1 *Presentation of Financial Statements;*
- IAS 17 *Leases;*

- IAS 38 *Intangible Assets;*
- IAS 39 *Financial Instruments: Recognition and Measurement;*
- IFRIC 9 *Reassessment of Embedded Derivatives;*
- IFRIC 16 *Hedge of a Net Investment in a Foreign Operation.*

IFRIC 12 ***Service Concession Arrangements*** (effective for financial years beginning on or after 29 March 2009).
This interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. No member of the Group is an operator and, therefore, this interpretation has no impact on the Group.

Amendment to IFRIC 14 ***IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*** (effective for financial years beginning on or after 1 January 2011, once adopted by the EU).
The amendment modifies the accounting for prepayments of future contributions when there is a minimum funding requirement. This amendment will not have any impact on the consolidated financial statements because the Group does not have defined benefit assets.

IFRIC 17 ***Distributions of Non-cash Assets to Owners (***effective for financial years beginning on or after 31 October 2009).
The interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders. IFRIC 17 will not have an impact on the consolidated financial statements because the Group does not distribute non-cash assets to owners.

IFRIC 18 ***Transfers of Assets from Customers (***effective for financial years beginning on or after 31 October 2009).
The Interpretation provides guidance on accounting for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). IFRIC 18 will not have an impact on the consolidated financial statements because the Group does not have such agreements.

IFRIC 19 ***Extinguishing Financial Liabilities with Equity Instruments*** (effective for financial years beginning on or after 1 April 2010, once adopted by the EU).
The interpretation provides guidance on accounting for extinguishing financial liabilities with equity instruments. Since the Group does not have such transactions, IFRIC 19 will not have any impact on its consolidated financial statements.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of AS Norma and its subsidiary 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 subsidiary 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. Although many purchase and sales contracts are denominated in euros, as the Estonian kroon is pegged to the euro and no foreign exchange differences can arise, the Group considers the Estonian kroon as the functional and presentation currency.

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 the Estonian kroon is pegged to the euro with a 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 a known amount of cash and which are subject to an 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 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 with 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 the reporting and comparative period the Group did not have any such investments).

Financial assets at fair value through profit and loss are measured in their fair value on each balance sheet date. Fair value of listed securities is based on a 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 the fair value of investments held for trading are recognised under “Financial income” or “Financial expenses” in the income statement. Interests and dividends from investments held for trading are also recognised under “Financial income” or “Financial expenses” in the 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 the 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 the income statement.

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

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

The de-recognition 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.

Accounting for investments in subsidiaries in the parent company's standalone main statements as required by the Estonian Accounting Act.

The parent company's standalone main statements (presented in Notes 26-29) represent supplemental information in line with the Estonian Accounting Act and they are not deemed to present separate financial statements of the parent in accordance with IAS 27.

In the Parent's non-consolidated financial statements investments in its subsidiary is 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 expenses" 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 a reversal is recognised as financial income in the 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 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 - 12 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 of depreciation 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.

Based on the historical experience, expertise and market evolved practices for components quotations, it appears as follows: the depreciation rates employed by AS Norma are excessively aggressive for specific type of equipment, they do not reflect the actual lifetime and value of the equipment and therefore, the revenue and expenditure copmliance principle is not adequately reflected. It was decided to change the depreciation rates of 55 pieces of equipment. (see Note 4).

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 21/79 (the rate of 21/79 was effective for dividends paid out in 2008). 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 20%).

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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

The report provides information about the Group’s segments, and this information is organised by both business segments (the primary format for segment reporting) and geographic segments (the secondary format for segment reporting).

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

Across the Group’s product lines the main product lines are car safety belts and safety systems. 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.

Notes to the Consolidated Financial Statements

		Thousands of kroons		Thousands of euros	
1.	**Cash and cash equivalents**	**31.12.2009**	31.12.2008	**31.12.2009**	31.12.2008
	Cash in hand and current deposits in banks	**1 294**	845	**83**	54
	Short-term time deposits with maturity up to 3 months	**81 613**	29 098	**5 216**	1 860
		82 907	29 943	**5 299**	1 914

As of the end of 2009 the Group has deposits with maturity up to 3 months in the following amounts:

a) short-term kroons-deposits in commercial banks with interest rates of 2.05-5.00% (31.12.2008: 5.00-6.25%) in the amount of 52 300 (31.12.2008: 2 927) thousand kroons or 3 343 (31.12.2008:187) thousands euros and euro-deposits with interest rates of 0.23-1.33% (31.12.2008: 2.51-6.00%) in the amount 570 (31.12.2008: 1 673) thousand euros or 8 919 (31.12.2008: 26 171) thousands kroons; and

b) short-term euro-funds in the treasury of Autoliv with interest rates 0.74% in the amount of 1 303 (31.12.2008: 0) thousand euros or 20 394 (31.12.2008: 0) thousands kroons (see Note 11).

		Thousands of kroons		Thousands of euros	
2.	**Financial assets**	**31.12.2009**	31.12.2008	**31.12.2009**	31.12.2008
	Short-term time deposits with maturity more than 3 months	**548 198**	544 641	**35 037**	34 809
	Accrued interest income	**5 136**	8 935	**328**	571
		553 334	553 576	**35 365**	35 380

As of the end of 2009 the Group has deposits with maturity more than 3 months in the following amounts:

a) short-term kroons-deposits in commercial banks with interest rates of 5.05% (31.12.2008: 7.05-7.30%) in the amount of 30 918 (31.12.2008: 55 000) thousand kroons or 1 976 (31.12.2008: 3 515) thousands euros and euro-deposits with interest rates of 1.38%-4.30% (31.12.2008: 5.49%-6.00%) in the amount 27 658 (31.12.2008: 19 924) thousand euros or 432 756 (31.12.2008: 311 740) thousands kroons; and

b) short-term euro-funds in the treasury of Autoliv with interest rates 1.48-1.56% (31.12.2008: 5.53-5.72%) in the amount of 5 403 (31.12.2008: 9 900) thousand euros or 84 524 (31.12.2008: 154 901) thousands kroons and there were no short-term kroons-deposits in the treasury of Autoliv as of the end of 2009 (31.12.2008: 23 000 thousand kroons or 1 470 thousands euros with interes rates 7.07% (see Note 11).

The short-term deposits with maturity more than 3 months are designated as fair value through profit and loss as they are used for earning short-term profits from favourable interest rate changes. Such a designation is in line with the entity's investment strategy of earning competitive yields on liquid assets; thus, a variable product mix is used, combining different deposits and interest fund shares. These products are treated as one group and are designated as fair value through profit and loss. The maximum exposure to credit risk at the reporting date is the total amount of the deposits and accrued interest (see table Categories of financial assets and financial liabilities).

			Thousands of kroons		Thousands of euros	
Categories of financial assets and financial liabilities		**Note**	**31.12.2009**	31.12.2008	**31.12.2009**	31.12.2008
Short-term deposits with maturity more than 3 months	Fair value through profit & loss	2	**548 198**	544 641	**35 037**	34 809
Accrued interest income	Fair value through profit & loss	2	**5 136**	8 935	**328**	571
Trade receivables and allowances	Loans and receivables	3	**103 840**	154 173	**6 636**	9 853
Other short-term receivables	Loans and receivables	3	**234**	271	**15**	17
Long-term loans	Loans and receivables		**373**	329	**24**	21
Financial liabilities	Amortised cost		**89 459**	89 256	**5 717**	5 704

		Thousands of kroons		Thousands of euros	
3.	**Receivables**	**31.12.2009**	31.12.2008	**31.12.2009**	31.12.2008
	Trade receivable from non-related parties	**64 433**	108 176	**4 118**	6 914
	Receivables from companies of Autoliv Group (see Note 11)	**43 472**	47 366	**2 778**	3 027
	Allowance for doubtful receivables	**-4 065**	-1 369	**-260**	-87
	Other short-term receivables	**234**	271	**15**	17
	VAT refundable	**494**	1 203	**32**	77
		104 568	155 647	**6 683**	9 948

As at December 31, 2009, 100% of doubtful receivables were related to the Russian automobile industry clients.

	Thousands of kroons		Thousands of euros	
Trade receivables	**31.12.2009**	31.12.2008	**31.12.2009**	31.12.2008
Not due	**103 096**	136 110	**6 589**	8 699
Overdue 30 days	**1 846**	10 904	**118**	697
Overdue 60 days	**998**	3 951	**64**	253
Overdue 90 days	**61**	1 836	**4**	117
Overdue over 90 days	**1 904**	2 741	**121**	175
	107 905	155 542	**6 896**	9 941

	Thousands of kroons		Thousands of euros	
	31.12.2009	31.12.2008	**31.12.2009**	31.12.2008
Allowance as of January 1	**-1 369**	0	**-87**	0
Reversal of allowance	**-2 696**	0	**-172**	0
Allowances made	**0**	-1 369	**0**	-87
Allowance as of December 31	**-4 065**	-1 369	**-260**	-87

	Thousands of kroons		Thousands of euros	
4. Inventories	**31.12.2009**	31.12.2008	**31.12.2009**	31.12.2008
Raw materials	**44 234**	64 462	**2 827**	4 120
Work in progress	**13 749**	18 136	**879**	1 159
Finished goods	**10 583**	17 870	**676**	1 142
Prepayments for goods	**82**	823	**5**	53
	68 648	101 291	**4 387**	6 474

5. 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 31.12.2007	**64 889**	**157 615**	**2 062**	**5 738**	**230 304**
Additions	2 697	9 308	1 306	16 693	**30 004**
Disposals	0	-147	0	0	**-147**
Reclassifications	0	5 094	0	-5 094	**0**
Depreciation charge	-3 470	-34 858	-588	0	**-38 916**
Net book value as of 30.09.2008	**64 116**	**137 012**	**2 780**	**17 337**	**221 245**
Additions	384	26 702	61	-6 334	**20 813**
Disposals	0	1	0	0	**1**
Reclassifications	0	644	0	-644	**0**
Depreciation charge	-1 189	-10 742	-190	0	**-12 121**
Net book value as of 31.12.2008	**63 311**	**153 617**	**2 651**	**10 359**	**229 938**
Additions	0	15 286	0	9 203	24 489
Disposals	0	-12	0	0	-12
Reclassifications	0	6 934	0	-6 934	0
Impairment loss		-6 408			-6 408
Depreciation charge	-3 582	-33 773	-603	0	-37 958
Net book value as of 30.09.2009	**59 729**	**135 644**	**2 048**	**12 628**	**210 049**
Additions	0	3 650	0	9 075	**12 725**
Disposals	0	-141	0	0	**-141**
Reclassifications	0	3 425	0	-3 425	**0**
Depreciation charge	-1 195	-11 047	79	0	**-12 163**
Net book value as of 31.12.2009	**58 534**	**131 531**	**2 127**	**18 278**	**210 470**
As of 31.12.2007					
Acquisition cost	98 931	517 523	8 239	5 738	**630 431**
Accumulated depreciation and impairment losses	-34 042	-359 908	-6 177	0	**-400 127**

As of 31.12.2008					
Acquisition cost	102 012	551 663	9 607	10 359	**673 641**
Accumulated depreciation and impairment losses	-38 701	-398 046	-6 956	0	**-443 703**
As of 31.12.2009					
Acquisition cost	102 012	574 097	9 607	18 278	**703 994**
Accumulated depreciation and impairment losses	-43 478	-442 566	-7 480	0	**-493 524**

Due to downfall of production volumes in the accounting period discount has been applied to the machines and fixtures in the amount 6 408 thousand kroons, with acquisition cost 18 879 thousand kroons. Fixed assets discount was not performed in 2008.

As of 31.12.2009, acquisition cost of fully depreciated property, plant and equipment amounts to 270 119 (2008: 228 568) thousand kroons.

As of 31.12.2009 additional investments needed for the completing unfinished projects (incl. uninstalled equipment) amount to 22 644 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 31.12.2007	**4 147**	**10 073**	**132**	**367**	**14 719**
Additions	173	595	83	1 067	1 918
Disposals	0	-9	0	0	-9
Reclassifications	0	326	0	-326	0
Depreciation charge	-222	-2 228	-38	0	-2 488
Net book value as of 30.09.2008	**4 098**	**8 757**	**177**	**1 108**	**14 140**
Additions	25	1 707	4	-405	1 331
Disposals	0	0	0	0	0
Reclassifications	0	41	0	-41	0
Depreciation charge	-76	-687	-12	0	-775
Net book value as of 31.12.2008	**4 047**	**9 818**	**169**	**662**	**14 696**
Additions	0	977	0	588	1 565
Disposals	0	-1	0	0	-1
Reclassifications	0	443	0	-443	0
Impairment loss	0	-410	0	0	-410
Depreciation charge	-229	-2 158	-38	0	-2 425
Net book value as of 30.09.2009	**3 818**	**8 669**	**131**	**807**	**13 425**
Additions	0	233	0	580	813
Disposals	0	-9	0	0	-9
Reclassifications	0	219	0	-219	0
Depreciation charge	-77	-706	5	0	-778
Net book value as of 31.12.2009	**3 741**	**8 406**	**136**	**1 168**	**13 451**
As of 31.12.2007					
Acquisition cost	6 323	33 076	527	367	**40 292**
Accumulated depreciation and impairment losses	-2 176	-23 002	-395	0	**-25 573**

As of 31.12.2008					
Acquisition cost	6 520	35 258	614	662	**43 054**
Accumulated depreciation and impairment losses	-2 473	-25 440	-445	0	**-28 358**
As of 31.12.2009					
Acquisition cost	6 520	36 691	614	1 168	**44 993**
Accumulated depreciation and impairment losses	-2 779	-28 285	-478	0	**-31 542**

Due to downfall of production volumes in the accounting period discount has been applied to the machines and fixtures in the amount 410 thousand euros, with acquisition cost 1 207 thousand euros. Fixed assets discount was not performed in 2008.

As of 31.12.2009, acquisition cost of fully depreciated property, plant and equipment amounts to 17 264 (2008: 14 608) thousand euros.

As of 31.12.2009 additional investments needed for the completing unfinished projects (incl. uninstalled equipment) amount to 1 447 thousand euros.

6. Intangible assets (thousands of kroons)

	Product and technology licences	Software licences	TOTAL
Net book value as of 31.12.2007	**11 201**	**465**	**11 666**
Additions	0	38	**38**
Amortisation charge	-1 680	-176	**-1 856**
Net book value as of 30.09.2008	**9 521**	**327**	**9 848**
Additions	0	40	**40**
Amortisation charge	-560	-76	**-636**
Net book value as of 31.12.2008	**8 961**	**291**	**9 252**
Additions	0	564	**564**
Amortisation charge	-1 680	-306	**-1 986**
Net book value as of 30.09.2009	**7 281**	**549**	**7 830**
Amortisation charge	-560	-91	**-651**
Net book value as of 31.12.2009	**6 721**	**458**	**7 179**
As of 31.12.2007			
Acquisition cost	22 402	6 665	**29 067**
Accumulated amortisation and impairment losses	-11 201	-6 200	**-17 401**
As of 31.12.2008			
Acquisition cost	22 402	6 743	**29 145**
Accumulated amortisation and impairment losses	-13 441	-6 452	**-19 893**
As of 31.12.2009			
Acquisition cost	22 402	7 307	**29 709**
Accumulated amortisation and impairment losses	-15 681	-6 849	**-22 530**

Intangible assets (thousands of euros)

	Product and technology licences	Software licences	TOTAL
Net book value as of 31.12.2007	**716**	**29**	**745**
Additions	0	2	**2**
Amortisation charge	-107	-11	**-119**
Net book value as of 30.09.2008	**609**	**21**	**629**
Additions	0	3	**3**
Amortisation charge	-36	-5	**-41**
Net book value as of 31.12.2008	**573**	**19**	**591**
Additions	0	36	**36**
Amortisation charge	-107	-20	**-127**
Net book value as of 30.09.2009	**465**	**35**	**500**
Amortisation charge	-36	-6	**-42**
Net book value as of 31.12.2009	**430**	**29**	**459**
As of 31.12.2007			
Acquisition cost	1 432	426	**1 858**
Accumulated amortisation and impairment losses	-716	-397	**-1 113**
As of 31.12.2008			
Acquisition cost	1 432	431	**1 863**
Accumulated amortisation and impairment losses	-859	-413	**-1 272**
As of 31.12.2009			
Acquisition cost	1432	467	**1 899**
Accumulated amortisation and impairment losses	-1 002	-438	**-1 440**

7. Share capital

	Thousands of kroons		Thousands of euros	
	31.12.2009	31.12.2008	**31.12.2009**	31.12.2008
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 2007 were 66.0 million kroons (4.2 million euros) or 5 (0.32 euro) kroons per share. The Management Board proposes also 66.0 million kroons (4.2 million euros) paid out for 2008.

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 31.12.2009:

Autoliv Ab	51.0%
ING LUXEMBOURG S.A.	10.0%
Skandinaviska Enskilda Banken Ab kliendid	6.7%

	Thousands of kroons		Thousands of euros	
Earnings per share	**2009**	2008	**2009**	2008
Net profit for the financial year	**20 753**	137 218	**1 326**	8 770
Average number of shares (in thousands)	**13 200**	13 200	**13 200**	13 200
Earnings per share in kroons/euros	**1,57**	10,40	**0,10**	0,66

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

8. Segment information. Primary reporting format – by product lines

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

The report provides information about the Group's segments, and this information is organised by both business segments (the primary format for segment reporting) and geographic segments (the secondary format for segment reporting).

Thousands of kroons

	Safety belts 2009	**Safety systems 2009**	**Other products 2009**	**Unal-located**	**Total 2009**	Safety belts 2008	Safety systems 2008	Other products 2008	Unal-located	Total 2008
Revenue from third parties	**518 353**	**136 421**	**143 912**	**0**	**798 686**	890 760	316 086	175 294	0	1 382 140
Segment expenses	**-447 747**	**-115 531**	**-114 798**	**-107 053**	**-785 129**	-716 108	-286 434	-110 168	-145 474	-1 258 184
Segment results	**70 606**	**20 890**	**29 114**	**-107 053**	**13 557**	174 652	29 652	65 126	-145 474	123 956
Total assets	**232 669**	**36 871**	**38 268**	**720 660**	**1 028 468**	328 450	53 952	36 056	663 060	1 081 518
Financial assets (excl. receivables)	0	0	0	636 241	636 241	0	0	0	583 519	583 519
Receivables and prepaid expenses	73 009	23 134	7 696	2 091	105 930	104 191	40 881	9 372	3 074	157 518
Inventories	48 239	7 016	13 393	0	68 648	84 334	4 110	12 847	0	101 291
Property, plant and equipment and intangible assets	111 421	6 721	17 179	82 328	217 649	139 925	8 961	13 837	76 467	239 190
Segment liabilities	**59 167**	**6 535**	**15 169**	**14 147**	**95 018**	61 931	18 780	9 528	12 581	102 820
Investments in non-current assets	**32 016**	**0**	**4 990**	**772**	**37 778**	41 059	0	3 949	5 888	50 896
Depreciation and amortisation	**32 988**	**2 240**	**5 686**	**11 844**	**52 758**	35 436	2 240	4 129	11 724	53 529
Impairment loss of non-current assets	**3 267**	**0**	**3 141**	**0**	**6 408**	0	0	0	0	0

Segment information. Primary reporting format – by product lines

Thousands of euros

	Safety belts 2009	**Safety systems 2009**	**Other products 2009**	**Unal-located**	**Total 2009**	Safety belts 2008	Safety systems 2008	Other products 2008	Unal-located	Total 2008
Revenue from third parties	**33 129**	**8 719**	**9 197**	**0**	**51 045**	56 930	20 202	11 203	0	88 335
Segment expenses	**-28 616**	**-7 384**	**-7 337**	**-6 842**	**-50 179**	-45 768	-18 307	-7 041	-9 297	-80 413
Segment results	**4 513**	**1 335**	**1 860**	**-6 842**	**866**	11 162	1 895	4 162	-9 297	7 922
Total assets	**14 870**	**2 356**	**2 446**	**46 059**	**65 731**	20 992	3 449	2 304	42 377	69 122
Financial assets (excl. receivables)	0	0	0	40 664	40 664	0	0	0	37 294	37 294
Receivables and prepaid expenses	4 666	1 478	492	134	6 770	6 659	2 613	599	196	10 067
Inventories	3 083	448	856	0	4 387	5 390	263	821	0	6 474
Property, plant and equipment and intangible assets	7 121	430	1 098	5 261	13 910	8 943	573	884	4 887	15 287
Segment liabilities	**3 782**	**418**	**969**	**904**	**6 073**	3 958	1 200	609	804	6 572
Investments in non-current assets	**2 046**	**0**	**319**	**49**	**2 414**	2 624	0	253	376	3 253
Depreciation and amortisation	**2 108**	**143**	**364**	**757**	**3 372**	2 265	143	264	749	3 421
Impairment loss of non-current assets	**209**	**0**	**201**	**0**	**410**	0	0	0	0	0

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. By the end of 2007, share of safety systems rose above 10% of Group revenues and therefore it is presented as a separate segment. Other product lines (seat belt components, car parts, tooling, 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 the 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 deprecation or amortisation 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	
	2009	2008	**2009**	2008
Sweden	**390 876**	506 207	**24 982**	32 352
Russia	**293 334**	743 035	**18 747**	47 489
Germany	**37 678**	42 234	**2 408**	2 699
Romania	**17 236**	18 366	**1 102**	1 174
Czech Republic	**10 958**	13 192	**700**	843
Poland	**6 754**	3 518	**432**	225
Estonia	**5 774**	13 662	**369**	873
Finland	**5 542**	6 397	**354**	409
Italy	**4 190**	1 510	**268**	96
Spain	**4 921**	6 961	**314**	445
Belgium	**4 908**	4 867	**314**	311
France	**4 348**	4 685	**278**	299
Belarus	**3 526**	3 873	**225**	248
USA	**1 466**	0	**94**	0
Ukraine	**1 085**	10 524	**69**	673
Other countries	**6 090**	3 109	**389**	199
Total:	**798 686**	1 382 140	**51 045**	88 335

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 3 019 (2008: 5 144) thousand kroons or 193(31.12.2008: 329) thousands euros are located in Russian Federation, incl. property, plant and equipment in the amount of 499 (31.12.2008: 602) thousand kroons or 32 (31.12.2008: 38) thousands euros.
In the opinion of the management the pricing used in transactions between segments does not differ significantly market prices.

9.	Thousands of kroons		Thousands of euros	
Cost of sales	**2009**	2008	**2009**	2008
Raw materials	**-522 073**	-865 552	**-33 367**	-55 319
Personnel expenses	**-107 655**	-188 980	**-6 881**	-12 078
Provision	**-12 206**	-1 793	**-780**	-115
Depreciation and amortisation	**-48 871**	-49 596	**-3 123**	-3 170
Utilities	**-16 755**	-19 236	**-1 071**	-1 229
Repairs and maintenance	**-1 258**	-6 905	**-80**	-441
Transportation	**-15 331**	-24 831	**-980**	-1 587
Other services	**-4 102**	-10 329	**-262**	-660
Others	**-6 810**	-14 925	**-435**	-954
	-735 061	-1 182 147	**-46 979**	-75 553

10. Short-term provisions

To cover the expenses which occurred from redundancies in 2009, the restructuring provision in the amount of 2 803 (179 thousand euros) thousand kroons was formed as of 31 December 2008.

In 2009, a restructuring provision in the amount of 12 902 (825 thousand euros) thousand kroons was created and a total of 15 705 (1 004 thousand euros) thousand kroons of redundancy remuneration was paid to 283 employees from the previously mentioned reserve, there of 2 803 (179 thousand euros) thousand kroons from a restructuring provision established in 2008. 12 206 (780 thousand euros) thousand kroons has been recognised as cost of sales, 304 (13 thousand euros) thousand kroons as general administrative expenses, 196 (13 thousand euros) thousand kroons as research and development expenses, 196 (13 thousand euros) thousand kroons as marketing and distribution costs.

11.	Thousands of kroons		Thousands of euros	
Transactions with related parties	**2009**	2008	**2009**	2008
Purchases from companies of Autoliv Group	**221 290**	**411 616**	**14 143**	**411 616**
incl. purchases of goods	217 465	402 033	**13 898**	402 033
receiving of services	3 358	8 964	**215**	8 964
receiving of services from the parent company Autoliv AB	467	619	**30**	619
transfer of research and development	**3**	**6 414**	**0**	**6 414**
Sales to companies of Autoliv Group	**453 094**	**565 641**	**28 958**	**565 641**
incl. sales of goods	443 756	552 572	**28 361**	552 572
rendering of services	9 338	13 069	**597**	13 069
rendering of services to the parent company Autoliv AB	0	0	**0**	0
Sales to Norma by Law-office Tark & Co	**249**	**833**	**16**	**833**

	31.12.2009	31.12.2008	**31.12.2009**	31.12.2008
Receivables from companies of Autoliv Group (see Note 3)	**43 472**	47 366	**2 778**	3 027
incl. Autoliv AB	**0**	0	**0**	0
Payables to companies of Autoliv Group	**17 670**	12 411	**1 129**	793
incl. Autoliv AB	**0**	36	**0**	2
Short-term deposits in treasury of Autoliv Group (see Note 1,2)	**104 919**	177 901	**6 706**	11 370
Payables to Law-office Tark & Co	**15**	0	**1**	0

12. Statement of Financial Position of AS Norma (the Parent)

	Thousands of kroons		Thousands of euros	
	31.12.2009	31.12.2008	**31.12.2009**	31.12.2008
Assets				
Current assets				
Cash in hand and deposits	**82 190**	29 857	**5 253**	1 908
Financial assets	**553 334**	553 576	**35 364**	35 380
Receivables	**107 643**	157 902	**6 880**	10 092
Prepaid expenses	**719**	1 332	**46**	85
Inventories	**68 253**	100 899	**4 362**	6 449
Total current assets	**812 139**	843 566	**51 905**	53 914
Non-current assets				
Long-term investments	**24**	24	**2**	2
Long-term receivables	**372**	329	**24**	21
Property, plant and equipment	**209 971**	229 335	**13 419**	14 657
Intangible assets	**7 179**	9 252	**459**	591
Total non-current assets	**217 546**	238 940	**13 904**	15 271
Total assets	**1 029 685**	1 082 506	**65 809**	69 185
Liabilities and equity				
Liabilities				
Current liabilities				
Payables	**94 702**	100 326	**6 053**	6 412
Deferred income	**218**	402	**14**	26
Provision	**0**	2 803	**0**	179
Total current liabilities	**94 920**	103 531	**6 067**	6 617
Total liabilities	**94 920**	103 531	**6 067**	6 617
Equity			**0**	
Share capital (par value)	**132 000**	132 000	**8 436**	8 436
Statutory reserve	**13 200**	13 200	**844**	844
Retained earnings	**789 565**	833 775	**50 462**	53 288
Total equity	**934 765**	978 975	**59 742**	62 568
Total liabilities and equity	**1 029 685**	1 082 506	**65 809**	69 185

13. Income statement of AS Norma (the Parent)

	Thousands of kroons		Thousands of euros	
	2009	2008	**2009**	2008
Revenue	**797 594**	1 378 560	**50 976**	88 106
Cost of sales	**-735 103**	-1 181 028	**-46 982**	-75 481
Gross profit	**62 491**	197 532	**3 994**	12 625
Marketing and distribution costs	**-14 614**	-24 378	**-934**	-1 558
Research and development expenses	**-10 180**	-16 243	**-650**	-1 038
General administrative expenses	**-22 636**	-36 461	**-1 447**	-2 331
Other operating income	**6 625**	6 291	**423**	402
Other operating expenses	**-7 093**	-3 332	**-453**	-213
Operating profit	**14 593**	123 409	**933**	7 887
Financial income	**24 959**	31 014	**1 595**	1 982
Financial expenses	**-219**	-208	**-14**	-13
Profit before taxes	**39 333**	154 215	**2 514**	9 856
Income tax expense	**-17 544**	-17 544	**-1 121**	-1 121
Net profit	**21 789**	136 670	**1 393**	8 735

Sales classification in accordance with the Commercial Code (§ 4 section 6):

C Manufacturing industry (in thousands of euros)

Thousands of kroons

NACE	Classification (EMTAK)	Sales 2009 (the Group)	Sales 2009 (the Parent)	Sales 2008 (the Group)	Sales 2008 (the Parent)
29.32	2932	798 686	797 594	1 382 140	1 378 560
	29321	798 686	797 594	1 382 140	1 378 560

Thousands of euros

NACE	Classification (EMTAK)	Sales 2009 (the Group)	Sales 2009 (the Parent)	Sales 2008 (the Group)	Sales 2008 (the Parent)
29.32	2932	51 045	50 976	88 335	88 106
	29321	51 045	50 976	88 335	88 106

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

Thousands of kroons

	Share capital (par value)	Statutory Reserve	Retained earnings	Total equity
31.12.2007	**132 000**	**13 200**	**763 105**	**908 305**
Profit	-	-	104 177	104 177
Dividends	-	-	-66 000	-66 000
30.09.2008	**132 000**	**13 200**	**801 282**	**946 482**
Profit	-	-	32 493	32 493
31.12.2008	**132 000**	**13 200**	**833 775**	**978 975**
31.12.2008	**132 000**	**13 200**	**833 775**	**978 975**
Profit	-	-	-8 957	-8 957
Dividends	-	-	-66 000	-66 000
30.09.2009	**132 000**	**13 200**	**758 818**	**904 018**
Profit	-	-	30 746	30 746
31.12.2009	**132 000**	**13 200**	**789 565**	**934 765**

Thousands of euros

	Share capital (par value)	Statutory Reserve	Retained earnings	Total equity
31.12.2007	**8 436**	**844**	**48 771**	**58 051**
Profit	-	-	6 658	6 658
Dividends			-4 218	-4 218
30.09.2008	**8 436**	**844**	**51 211**	**60 491**
Profit	-	-	2 077	2 077
31.12.2008	**8 436**	**844**	**53 288**	**62 568**
31.12.2008	**8 436**	**844**	**53 288**	**62 568**
Profit			-572	-572
Dividends	-	-	-4 218	-4 218
30.09.2009	**8 436**	**844**	**48 497**	**57 777**
Profit	-	-	1 965	1 965
31.12.2009	**8 436**	**844**	**50 462**	**59 742**

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.

SIGNATURE OF MEMBERS OF MANAGEMENT BOARD TO THE Q4 Y2009 INTERIM REPORT

The Management Board hereby states and confirms that to their best knowledge:

1) the consolidated financial statements, prepared in accordance with the International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of AS Norma and its subsidiary as a whole;
2) the Management report gives a true and fair view of the business developments and results of AS Norma and of its subsidiary as a whole and includes a description of the main risks and uncertainties.

The Management Board also confirms the correctness of information presented in the Q4 2009 Interim Report of consolidated group of AS Norma:

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

Sander Annus
Member of the Management Board

Peeter Tõniste
Member of the Management Board