Connecting Success.
Q3 2011

Interim Report for the Period from 1 January to 30 September 2011

Key financial figures at a glance Q3 2011

Income statement		Q3 2011	Q3 2010	Q1 – Q3 2011	Q1 – Q3 2010	Financial year 1 Jan – 31 Dec 2010
Revenue	EUR million	145.8	131.0	441.7	361.5	490.4
Gross profit[1]	EUR million	81.2	74.7	246.7	204.7	274.7
Adjusted EBITA[2]	EUR million	26.2	22.7	80.1	64.8	85.4
Adjusted EBITA margin	%	18.0	17.4	18.1	17.9	17.4
EBITA	EUR million	28.1	18.7	63.4	56.6	64.9
Adjusted profit for the period	EUR million	16.4	10.8	46.6	39.7	48.2
Adjusted EPS	EUR	0.52	0.44	1.59	1.59	1.93
Profit for the period	EUR million	16.4	7.7	22.5	31.9	30.3
EPS	EUR	0.54	0.31	0.76	1.28	1.21
Cash flow						
Operating cash flow[3]	EUR million	36.5	14.6	32.0	36.4	62.1
Operating net cash flow	EUR million	17.1	17.6	27.3	21.9	51.7

Balance sheet		30 Sep 2011	31 Dec 2010
Total assets	EUR million	628.4	578.8
Total equity	EUR million	240.9	78.4
Net debt	EUR million	222.5	344.1

Share data	
IPO	8 April 2011
Stock exchange	Frankfurt Stock Exchange, XETRA
Market segment	Regulated Market (Prime Standard)
ISIN	DE000A1H8BV3
Security identification number	A1H8BV
Ticker symbol	NOEJ

[1] Revenue including changes in inventories of finished goods and work in progress less raw materials and consumables used.

[2] Adjusted by non-recurring/non-period related costs (mainly due to the IPO), restructuring costs as well as other group and normalised items as well as depreciation from PPA adjustments.

[3] Net cash provided by operating activities.

Company Profile

NORMA Group is a global market and technology leader in engineered joining technology. We are a strategic development partner for approximately 10,000 customers in more than 80 countries and operate an integrated service and distribution network for our product solutions. NORMA Group manufactures and markets over 35,000 high-quality joining solutions for a wide range of application areas in three product categories: clamp, connect and fluid. Our products can be found in engines, commercial vehicles, passenger vehicles, agricultural machines, aircraft, trains, construction machines, plumbing systems and a wide range of domestic appliances. In addition to its 17 manufacturing and distribution centres, NORMA Group operates numerous sales and distribution sites across Europe, the Americas and Asia-Pacific. The company has around 4,200 employees worldwide.

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Executive Board Letter

Dear shareholders,

NORMA Group AG was able to continue its successful growth path in the third quarter of 2011. Demand for NORMA Group's products and system solutions remained high across all customer groups and regions. This positive performance demonstrates that we are on the right track. Thanks to our IPO in April and the subsequent refinancing, we were able to improve our capital structure and reinforce our market position in strategically important growth regions across the world.

Furthermore, we expanded our global presence and opened sites in Brazil and Serbia. The markets in South America and Eastern Europe continue to record above-average growth. For this reason, we made targeted investments in both regions. Firstly, we boosted our distribution activities in Brazil in the third quarter – an initial step to strengthen our relationship with existing local customers and acquire new ones. We are also proud to announce the opening of our first plant in Serbia, where production started successfully. We intend to increase the number of employees to 350 over the next two years as we will expand our capacity. The plant's strategic and central location in Eastern Europe will allow us to reach customers in multiple growth markets in the future.

In the third quarter 2011, we were awarded a major contract for the development and production of fluid systems for a range of different vehicle platforms. Our innovative joining solutions will be used to transport liquids and reduce nitrogen oxides in exhaust gases, cutting harmful emissions considerably.

NORMA Group increased its sales to EUR 441.7 million in the first nine months of the year, compared to EUR 361.5 million in the same period last year which equals an increase of 22.2%. After the first nine months of 2011, the adjusted operational result (adjusted EBITA) reached EUR 80.1 million, which is an increase of 23.6% in comparison to EUR 64.8 million in the previous year. This represents an adjusted EBITA margin of 18.1%. Third quarter sales came to EUR 145.8 million, being 11.4% higher than last year's figure of EUR 131.0 million. NORMA Group's operating earnings (adjusted EBITA) of EUR 26.2 million were up 15.3% compared to EUR 22.7 million posted for the same quarter of the previous year.

A refinancing following our IPO in April 2011 allowed us to reduce our syndicated bank liabilities and significantly improved the interest rate structure for our company's remaining external financing. This step had a positive impact on the net financial result since the third quarter. Our equity ratio improved to 38.3%.

f.l.t.r. Dr. Othmar Belker, Werner Deggim, Bernd Kleinhens, John Stephenson

NORMA Group's third quarter figures underline that the company has a solid foundation and is focused on innovation and growth. Our order books remain filled. With this strong position, the company is ideally prepared to navigate the turbulences on the financial market in order to continue its success in the future. The prevalent volatile macroeconomic conditions should also be taken into consideration when assessing the performance of NORMA Group shares, which were not immune to the negative economic environment.

NORMA Group has performed excellently in the first nine months of 2011. We are therefore highly confident for the entire 2011 financial year expecting organic growth of around 12%, provided the global economy remains stable. This figure is at the top end of our previously defined range for the sales growth of 10% to 12%. In terms of the company's operating result, we remain committed to our target EBITA margin of near 18.0% for the year 2011.

We would like to thank you, dear shareholders, as well as our employees and our customers, for your trust and support.

Yours,

Werner Deggim	Dr. Othmar Belker	Bernd Kleinhens	John Stephenson
CEO	CFO	Sales & Business Development	COO

Werner Deggim
Chief Executive Officer (CEO)
Dipl. Engineer Mechanical Engineering

Various Executive Management positions:

- Vice President and General Manager, TRW Automotive (Automotive Supplier, USA)
- President, Kautex North America (Ontario, Canada)
- worked and lived in USA and Canada for seven years

Dr. Othmar Belker
Chief Financial Officer (CFO)
Dr. of Economics

- CFO of an international BU of a technology driven automotive supplier
- CEO of a do-it-yourself chain
- CFO of a German stock exchange listed company
- Director in an investment company
- Restructuring consultant at Roland Berger & Partner

Bernd Kleinhens
Managing Director Sales & Business Development
Dipl. Engineer Mechanical Engineering

Spent business career within NORMA Group:

- Development Engineer
- Automotive Marketing
- Business Area Sales Manager NORMACLAMP
- Sales Director C&PV and D&I

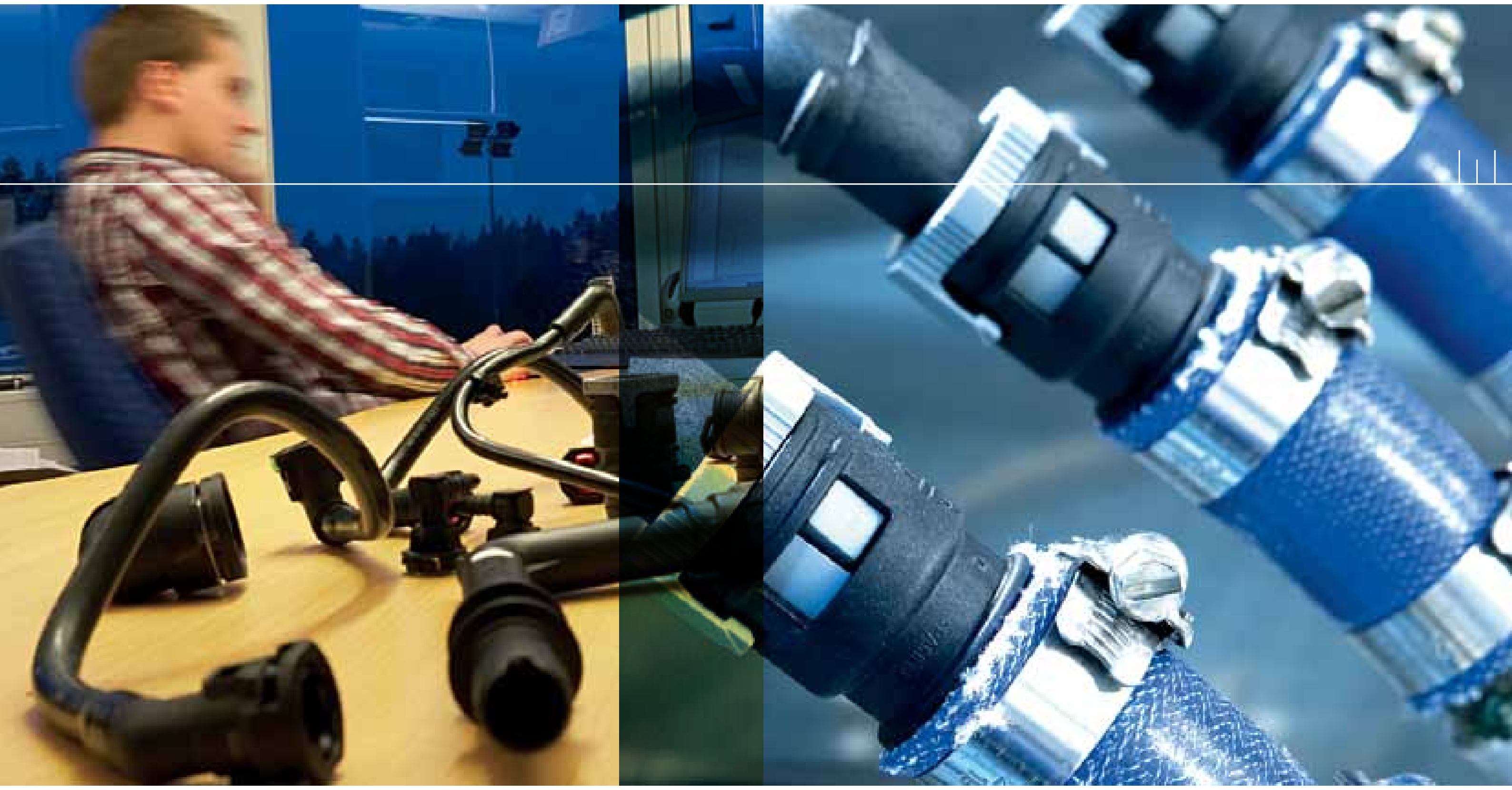
John Stephenson
Chief Operating Officer (COO)
BEng, MSC, MBA

Various Executive positions:

- VP Operations – Europe, Asia and Africa, Hayes Lemmerz International
- Director Operations – North Europe, Textron Fastening Systems
- Plant Manager and Managing Director, APW Electronics
- Various Positions in Operations, Project Management and Sales, Valeo Security Systems

- A leading provider of high-quality joining technology
- More than 35,000 innovative products and solutions
- Around 10,000 customers worldwide in various industries
- Over 250 patented innovations, with another 100 patents pending

We connect customer focus and technology leadership with mission-critical products.



A history of strong performance

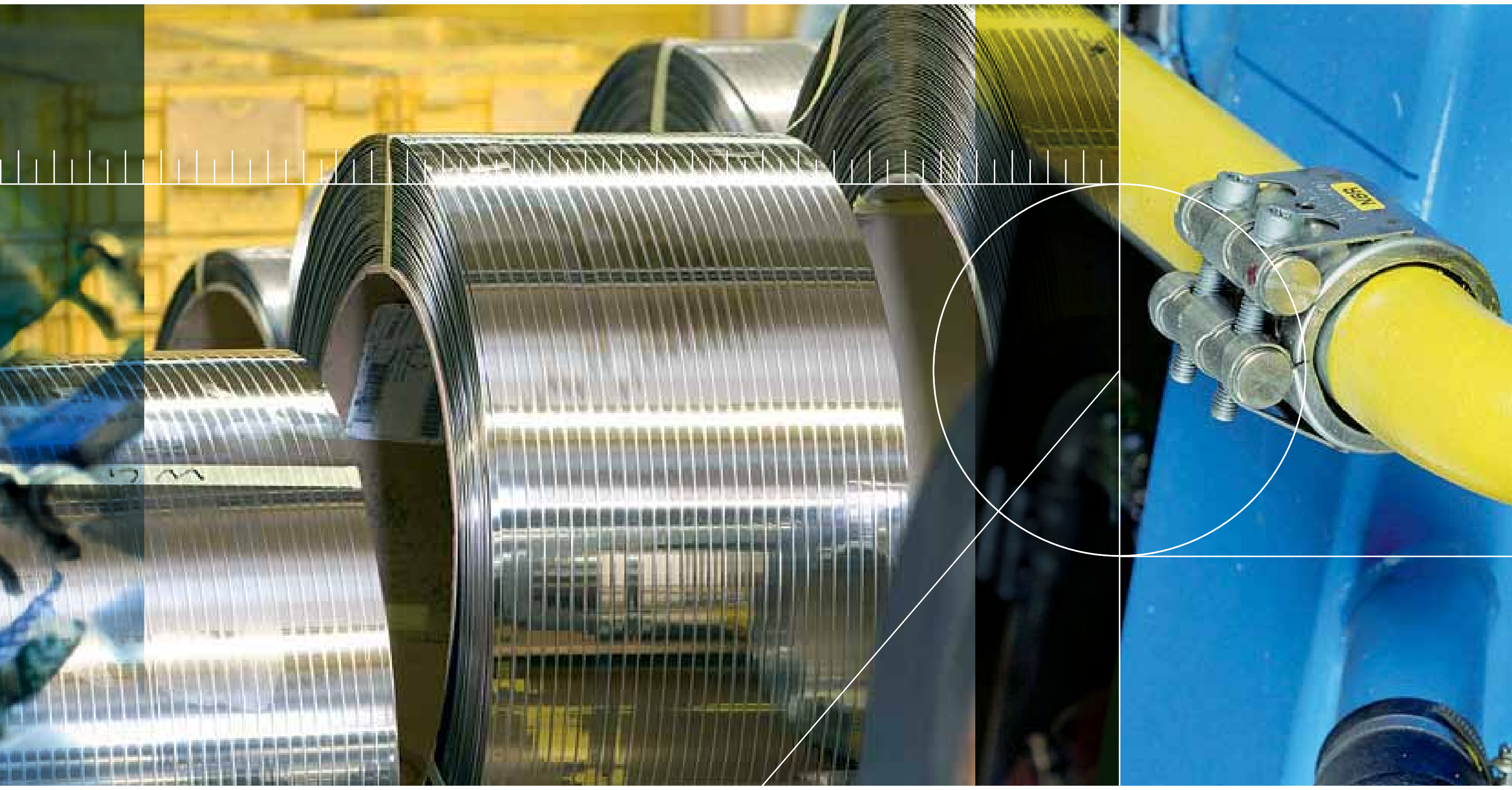
NORMA Group is a classic example of a “hidden champion”. We are a global market and technology leader in attractive niche markets. Being and remaining number one in the field of high-quality joining technology for us means to provide each of our 10,000 customers across the globe with user-oriented product solutions, top-notch problem solving expertise, faultless quality, reliable service and a broad product portfolio.

Small components – big effect

Even though our products make only a small portion of the total size and costs of the end products, they are enormously important. In many cases, our products are in fact a mission-critical factor for the performance, quality and reliability of the end product, providing significant added value for end users. This allows us to set appropriate prices for our products and solutions.

We provide more than 35,000 high-quality products and solutions to a wide range of industries: infrastructure, construction, water management, commercial vehicles, passenger vehicles, aviation, shipping, agriculture, mechanical engineering and wholesale, to name just a few.

The demand for product solutions combining easy usability with cost-efficient, guaranteed performance is constantly on the rise. NORMA Group is meeting this demand with its commitment for innovation, which is one of the key pillars of our corporate philosophy. NORMA Group’s numerous patents and patent applications are evidence for the company’s excellent technical expertise.



- Dual marketing strategy for NORMA Group business areas
- Close customer relationships and extensive awareness of the challenges specific to their industries
- Proximity to customers thanks to our global network in over 80 countries

We join tailored solutions and standardised products via one unique marketing strategy.

Marketing strategy as competitive advantage

NORMA Group distributes its engineered joining technology solutions through two distinct ways-to-market, addressing different requirements of its customers. These are represented by our two divisions, Engineered Joining Technology (EJT) and Distribution Services (DS). Our dual strategy is a unique selling point which gives us considerable advantage over our competitors.

Engineered Joining Technology (EJT)

In the EJT way, NORMA Group delivers customised, engineered solutions which meet the specific application requirements of original equipment manufacturers (OEM). Our EJT products are built on NORMA Group's extensive engineering expertise and proven leadership in the field. We develop innovative, value-adding solutions for a wide range of application areas and markets. No matter if it is a single component, a multi-component unit or a complex system – all of our products are tailored to the exact requirements of our industrial customers. Once our customers include one of our engineered joining solutions in their end products, it becomes an integral component of the system.

Distribution Services (DS)

In the DS way, NORMA Group sells a wide range of high-quality, standardized engineered joining technology products for a broad range of applications through various distribution channels to customers such as distributors, OEM aftermarket customers, technical wholesalers and hardware stores. The DS way-to-market benefits not only from NORMA Group's extensive geographic presence and global manufacturing, distribution and sales capabilities, but also from its renowned brands, its customized packaging as well as NORMA's marketing expertise and availability at the point of sale. NORMA Group distributes DS products through its own global distribution network and representatives in more than 80 countries. We market our joining products under the following well-known brands: ABA®, BREEZE®, GEMI®, NORMA®, R.G.RAY®, Serflex®®, Serratub®, TERRY® and Torca®.

Technical expertise and a global presence

Close long-term customer relationships and an in-depth understanding of our customers' requirements are the keys to NORMA Group's success. In addition to our technical expertise, it is our geographical reach which customers across the globe find most attractive. With manufacturing and distribution centres all over the world, NORMA Group is represented in Western and Eastern Europe, the Americas and Asia-Pacific.

- Competitive advantages through international focus and diversification
- Continuous growth in key and emerging markets
- Group-wide cost reduction programme to further increase profitability

We combine a global presence with regional markets to form a robust business model.

Reinforcing and expanding our market position

NORMA Group has continued to grow organically ever since it was established through the merger of German Rasmussen Group and Swedish company ABA in 2006. Expanding in our key markets is one of the central strategic tenets of our business model. We do this primarily by selectively acquiring companies which are ideal complements and by expanding new production and distribution centres in key regions such as China, India, Mexico, Japan, South Korea, Thailand, Turkey and Russia. Our international approach is one of the ways how we secure and expand our excellent market position. As a leading manufacturer of engineered joining technology products, we have our own highly capable global distribution network with emerging markets playing an increasingly important role.

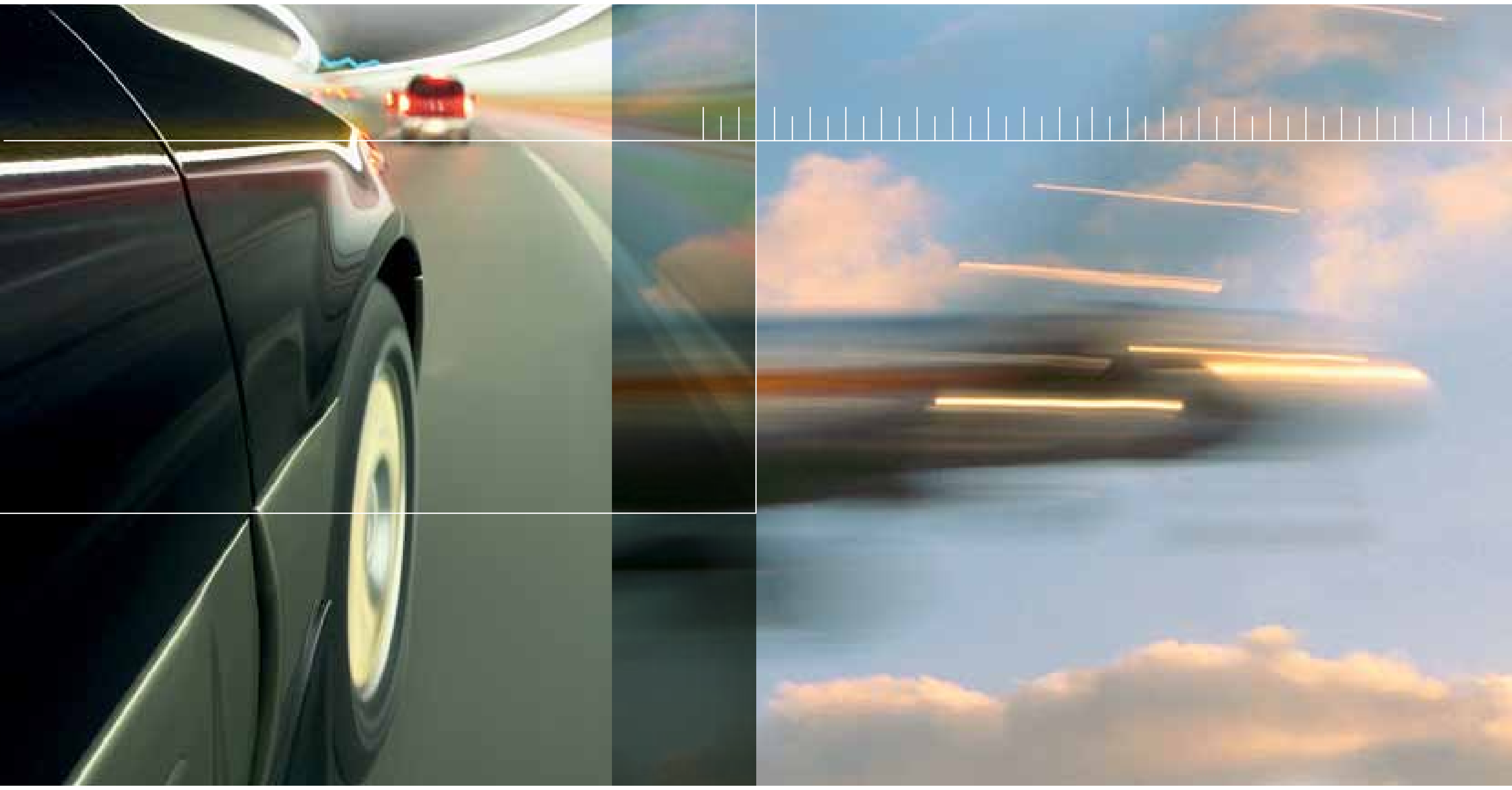
A broad basis for success

In our core segment, Engineered Joining Technology, we are a global market leader. In our Distribution Services segment, we have the broadest base – both in terms of regional presence as well as the variety of our product portfolio, application areas and end markets. This gives us decisive advantages over our competition when it comes to size and reach. Our great diversity allows us to benefit from global growth trends in different fields and limit the impact of cyclical fluctuations in specific industries and regions. We also implement internal measures, such as process optimisations, in all of our functional areas in order to constantly improve the profitability of NORMA Group.

For this purpose, we have launched the “Global Excellence” cost reduction programme in 2009, by which we coordinate and manage all activities of NORMA Group’s plants and centres. Over 800 cost reduction programmes were run in the first year, allowing us to greatly exceed our total savings target of EUR 4.5 million.

- Sustainable growth strategy allowing us to profit from market trends
- Targeted expansion of activities in our two ways-to-market: Engineered Joining Technology and Distribution Services
- Expansion of our presence in many promising markets
- Close monitoring of the market in order to identify suitable acquisitions

We link global megatrends and specific customer requirements with high margin growth in the area of engineered joining technologies.



Changing customer requirements, increasing demand

The markets where we operate in are changing. Global megatrends such as growing environmental awareness, tighter emissions regulations, rising fuel costs and intensifying cost pressure on producers provide us with a range of growth opportunities. This is particularly right because global megatrends also lead to technical megatrends such as weight reduction, increased engine efficiency and the modularisation of production processes. The changes in customer requirements will lead to an increasing demand for engineered joining technology and more components per content being used in our customers' end products. Our attractive consumer end markets are growing well, and these changes provide us with an opportunity to even grow faster.

Revenue growth: Many paths leading to the same goal

Our growth strategy means that we are optimally positioned to exploit these opportunities. Our goal is to expand our activities sustainably achieving revenue growth that is better than market average. That is why we have intensified our focus on innovative, value-adding joining solutions which help to reduce emissions, leakages, weight, space and assembly time in both traditional and new markets. In addition to expanding volumes and the range of products, we also want to benefit from the opportunity to improve the amount of revenue we receive from each end product.

We intend to expand our presence in existing markets and open up new ones in order to benefit from regional growth opportunities. Increasing levels of industrial production and a rising demand for sophisticated joining technology in emerging markets provide particularly attractive growth opportunities for our Engineered Joining Technology division. In the Distribution Services division, we are systematically expanding our distribution network, which brings us in an ideal position to improve revenues from our existing customers and to acquire new customers.

Acquisitions have always been part of our corporate strategy and will remain so in the future. We are constantly monitoring the global engineered joining technology market in order to identify suitable M&A opportunities to continue NORMA Group's success story.

NORMA Group on the Stock Market

The company share

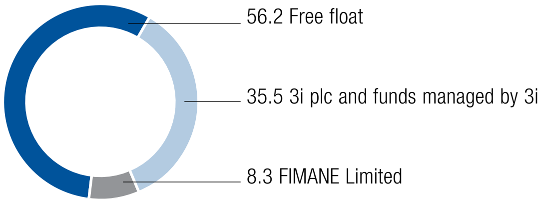
On 20 June 2011, following NORMA Group's successful start of trading in the Prime Standard of the German Stock Exchange on 8 April 2011, the company became one of 50 stocks in the SDAX, a leading share index in Germany. The access into this index is an important step in increasing NORMA Group's visibility on the capital market.

Market capitalisation reached a total of EUR 395 million by the end of the third quarter 2011. Without consideration of the first 10 days of trading, the average XETRA trading volume of NORMA Group was around 48,100 shares per day in the period under review. This leads the company into the top third of the SDAX, ranking fourteenth in the category of "Free float market capitalisation" and nineteenth in "Turnover" (projected over 12 months).

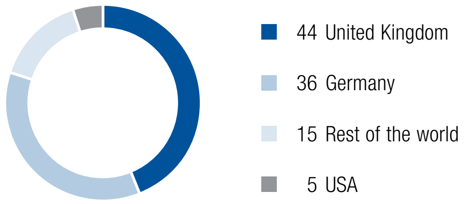
General data to the IPO

First trading day	8 April 2011
Subscription period	28 March to 7 April 2011
Price	EUR 21 per share
Issue volume	EUR 336 million
thereof capital increase	EUR 147 million
thereof secondary placement including greenshoe option	EUR 189 million
Type of issue	Public offering of shares in Germany and Luxembourg as well as private placements outside Germany and Luxembourg
Stock exchange	Frankfurt Stock Exchange
Market segment	Regulated market (Prime Standard)
ISIN	DE000A1H8BV3
Security identification number	A1H8BV
Ticker symbol	NOEJ
Free float after IPO	56.2%
Syndicate banks	Commerzbank, Deutsche Bank and Goldman Sachs International (Joint Global Coordinators and Joint Bookrunners) Berenberg and Macquarie (Co-Lead Managers)
Lock-up	Present members of the Management Board: 360 days Company, 3i, FIMANE and Dr. Christoph Schug (present member of the supervisory board): 180 days

Shareholder structure in %



Freefloat split by region in %



Shareholder Structure

The free float of NORMA Group is 56.2%, representing 17.9 million shares from a total capital stock of 31.9 million shares.

Around 35.5%, or 11.31 million shares, are held by NORMA Group's main shareholder 3i Group plc and funds managed by 3i. FIMANE Limited holds a further 8.3% stake, or 2.65 million shares, in NORMA Group.

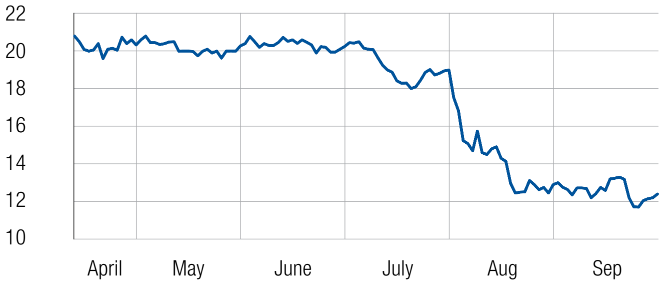
Germany and the United Kingdom are the top regions where the majority of NORMA Group's shares from its free float are being held. The United Kingdom is the leading region with a share of 44%. Shareholders in Germany have a stake of around 36% in the company. Around 5% of NORMA Group shares are held by investors based in the USA.

> "The NORMA Group share was unable to withdraw from the negative climate on the capital markets and closed at EUR 12.40 as of 30 September."

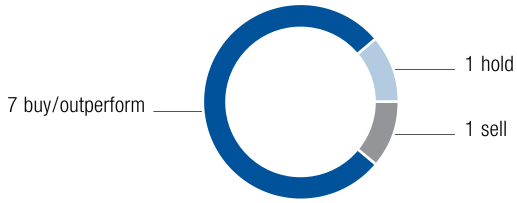
Share Price Performance

Trends on the global capital market were positive in the beginning of the year. NORMA Group's share price has performed solid under these capital market conditions since its IPO on 8 April 2011. The XETRA share price closed the first half of the year on 30 June 2011 at EUR 20.25 after being issued at EUR 21.00. The public debate on the financial stability of certain countries in the Eurozone began in late summer. The ongoing discussion and an intensification of the financial market crisis led to insecurities on the capital markets. Share prices across the world tumbled within few days. NORMA Group shares were not immune against these negative developments and lost ground. Conversely, positive announcements by the company were unable to reverse this trend. Thus, the company's XETRA share price closed at EUR 12.40 on 30 September 2011.

Share Price Performance in EUR



Analyst coverage



Investor relations

NORMA Group AG is committed to open and transparent communication with its shareholders and the financial community. The company believes in treating all of its shareholders equally, providing up-to-date information and ensuring continuity in reporting.

The purpose of our Investor Relations work is to increase awareness of NORMA Group worldwide and reinforce and propagate the perception of NORMA Group's share as an attractive growth value. We seek to improve investor confidence in the NORMA Group share and make sure the share price is valued realistically and fairly by providing continuous, transparent and reliable communication about the performance and strategic approach of the company.

The Management Board and Investor Relations team held several roadshows in Europe and the USA and took part in a number of major investor conferences to maintain personal contact with the financial community. NORMA Group has conducted one-on-one meetings with over 350 investors and analysts since its IPO in April 2011. We extended our communication activities with both private shareholders and institutional investors.

The fact that two more financial institutions have started to cover our share since our half-year financial results on 30 June 2011 underlines the continuing interest of the capital market and the positive reception on NORMA Group shares. Consequently, the number of banks and research companies covering our share improved to a total of nine. As at 30 September 2011, the share received seven "buy", one "hold" and one "sell" recommendation. The average share price target at that point reached EUR 20.22. Our objective is to further increase research coverage for the NORMA Group share.

For detailed information about NORMA Group and the company share, go to the company's website **www.normagroup.com.**

Consolidated Interim Management Report

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“We are a reliable partner for our customers across the world.”

Business and operating environment

Operations and Group structure

Leading global full-service provider in growing high-tech niche markets

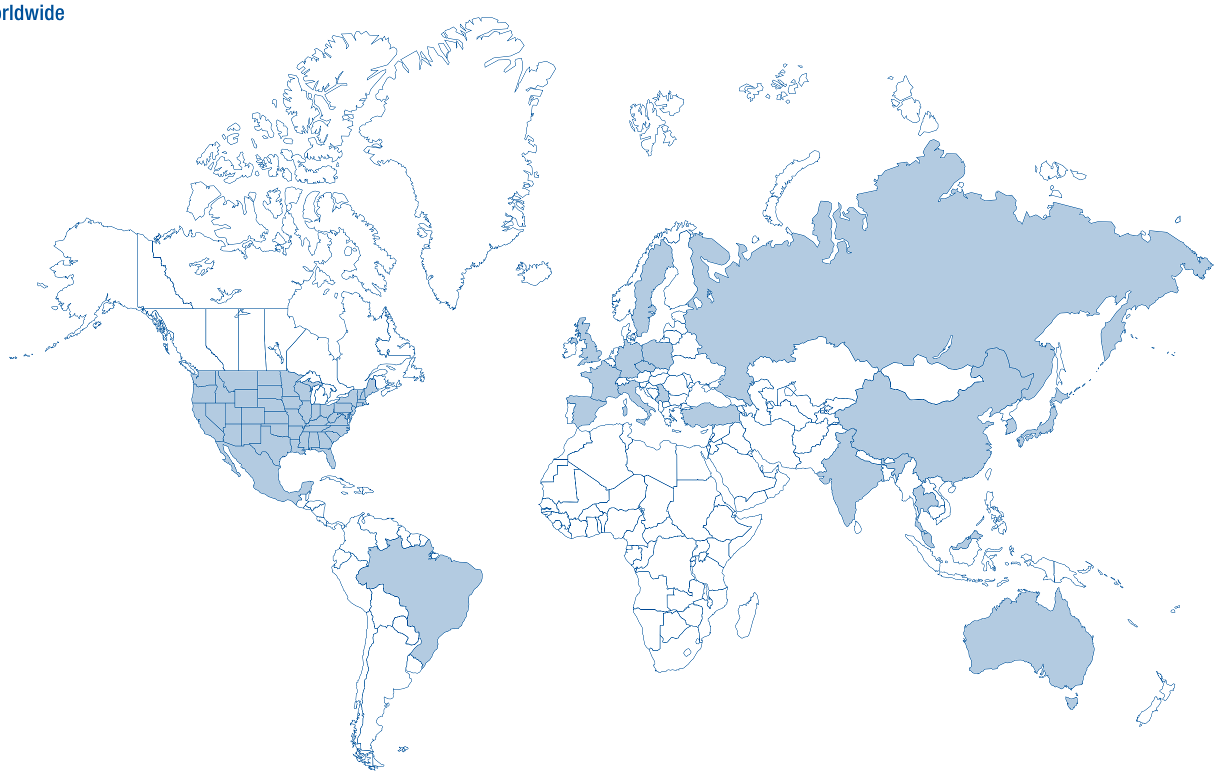
NORMA Group, headquartered in Maintal, Germany, is an international market and technology leader in attractive niche markets for engineered joining technologies. NORMA Group develops, manufactures and distributes more than 35,000 high-quality, frequently mission-critical, joining products and solutions for some 10,000 customers worldwide in three product categories: clamps (**CLAMP**), joining elements (**CONNECT**) and fluid systems/connectors (**FLUID**). The company holds over 250 patents and has more than 100 further patents pending, which underlines the company's commitment to a high level of innovation securing its position as a technology leader in the global market. NORMA Group is a strategic development partner for industrial customers. The Group also provides an integrated service and distribution network for joining products and solutions serving a broad range of applications. These include equipment for the agricultural industry, engines, commercial and passenger vehicles, the aviation industry, construction machines and domestic appliances. NORMA Group has a global presence, with 17 manufacturing centres and sales and distribution centres across Europe, the Americas and Asia-Pacific. The company is represented in over 80 countries.

NORMA Group facilities worldwide

Europe
Czech Republic
France
Germany
Italy
Poland
Russia
Schweden
Serbia
Spain
Turkey
United Kingdom

Americas
Brazil
Mexico
USA

Asia & Pacific
Australia
China
India
Japan
Korea
Malaysia
Singapore
Thailand



NORMA Group products

NORMACLAMP®

NORMACONNECT®

NORMAFLUID®

Creating added value through our commitment to innovation
NORMA Group's long-term success is founded on a high level of customer satisfaction which is based on decades of technical expertise. NORMA Group provides one-stop customer-specific system solutions and global availability combined with reliable quality and on-time delivery. Even though NORMA Group's products only account for a small portion of the manufacturing costs or sales price of its customers' end products, joining products are a mission-critical part for the quality, performance and reliability of the product, and therefore provide considerable added value. Global megatrends such as the tendency towards reduced emissions, leakage, weight, size and the increased modularisation of production processes represent an ever-increasing challenge for OEMs (original equipment manufacturers) when developing new products. NORMA Group's wide range of established brands and innovative, tailored joining products and solutions allow the company to be proactive in meeting these challenges. Innovative products enable NORMA Group and its customers to make a joint contribution to using natural resources in an environmentally friendly, sustainable and efficient way.

Two ways to ensure optimal distribution coverage for the different needs of our customers
NORMA Group's successful strategy for supplying its customers uses two distinct ways-to-market: **Engineered Joining Technology** (**EJT**) and **Distribution Services** (**DS**).

NORMA Group's EJT unit provides tailor-made products and solutions developed to meet the specific requirements of industrial OEM customers. It generates approximately two thirds of the Group's total sales.

"Our established brand products and innovative, tailored joining solutions allow us to meet the constantly changing needs of our customers."

In its DS unit, NORMA Group distributes a varied portfolio of high-quality, standardised brand products for different applications through its own distribution network and through its sales representatives. Its customers include distributors, technical wholesalers, OEM aftermarket customers and hardware stores. The DS business accounts for approximately one third of NORMA Group's total revenue.

Active strategic management, a decentralised structure plus local presence
The parent company of NORMA Group, NORMA Group AG, acts as the Group's holding company. The Management Board is comprised of four members. Each operating company is managed by a local team that belongs to the Group's broader management team. Local management teams are evaluated based on the achievement of agreed targets. Specific targets which are being monitored continuously are defined at Group, regional and operational level.

NORMA Group brands

Regional business segments
NORMA Group's business is segmented into three regions: EMEA (Europe, Middle East, Africa), the Americas and Asia-Pacific. Investments in recent years in sites in India, Japan, Malaysia and China, acquisitions in the USA of R.G. Ray (NORMA Illinois) in May 2010 and Craig Assembly (NORMA St. Clair) in December 2010, and the opening of a new production facility in Russia (May 2010), demonstrate that the importance of not just being represented but actively involved in foreign markets is steadily increasing for NORMA Group. Moreover, the company has also begun production at a site in Thailand in order to increase its capacities in Asia. Its engineered product solutions are shipped from Thailand to NORMA Group's customers throughout Asia and Australia. In July 2011, NORMA Group also opened a new facility in Serbia to expand its global network and strengthen its presence in emerging markets.

> "By opening a new production facility in Serbia we will expand our global network and strengthen our presence in emerging markets."

Corporate strategy

The strategic goal of NORMA Group's management is to sustainably expand its domestic and overseas activities achieving revenue growth which is above market average, with a focus on high profitability and stable cash flows.

Our parameters for success: global footprint, size, strong brands and commitment to innovation
NORMA Group is involved in attractive, challenging, fast-growing and fragmented niche markets. The company's global market share in the EJT business is considerably higher than that of any other market competitor, with size being a key success factor. NORMA Group is able to provide its customers across the globe with tailored, high-quality products and system solutions. The Group also continues to strengthen its commitment to innovation, particularly in the area of research and development (R&D). The Group invests approximately 4% of its total sales in R&D activities every year.

In the DS channel, NORMA Group can rely on a broad range of strong, well-known brands. The company's management is committed to strengthening and expanding these success factors. As a market and technology leader, NORMA Group, with its optimised production structure, generates significant synergies and economies of scale, despite a large product range. A further main objective of the Group is to extend its global footprint, with a particular focus on emerging markets, including Brazil, Russia, India and China.

"Our unique distribution concept is perfectly tailored to the individual needs of our customers."

Strong mid-term growth potential based on a broad product portfolio

NORMA Group's strategy is based on a broad diversification in terms of products, regions and end markets. This reinforces the stability of the Group's business and puts the company into a position to exploit attractive opportunities for growth based on various technology trends influencing our customers and their end products. Application areas for EJT joining products include emission control, cooling systems, air intake and induction, ancillary systems and infrastructure. EJT's end markets range from agricultural machines, the aviation industry, commercial vehicles, construction machines and engines to water management, cars and trains. NORMA Group's DS customers include industrial companies (OEM and aftermarket), maintenance and repair companies, as well as distributors, technical wholesalers and hardware stores.

Unique, customer-oriented distribution concept

As a central part of its sales strategy, NORMA Group focuses on two distinct ways-to-market enabling the company to address different customer requirements: Engineered Joining Technology (EJT) and Distribution Services (DS). This approach allows NORMA Group to differentiate itself clearly from its competitors. Combining technical expertise and competence in the development of tailor-made solutions for industrial customers (EJT) with high-quality standard branded products distributed through a global network (DS) provides a broad range of synergies to NORMA Group. These include significant economies of scale in production, close contact to international EJT customers and ongoing knowledge transfer from the EJT to the DS business, thus making NORMA Group's business highly diversified and more robust.

Joining technology driven by megatrends over the long term

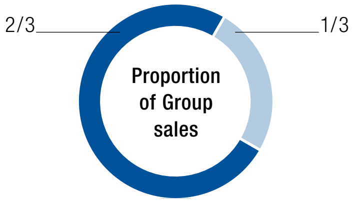
NORMA Group's growth is based on long-term technological trends – such as weight reduction, increased engine efficiency and the modularisation of production processes – as well as global megatrends (particularly growing environmental awareness, tighter emissions regulations, rising fuel costs and increasing cost pressure on major industries). These trends intensify the continuous change in customer demand, which should in turn drive the demand for engineered joining technology in our customers' end products at a faster pace than our customers' end markets. As a consequence both the amount and value of high-quality engineered joining solutions being used in end products will increase. On the basis of external market studies, NORMA Group's management expects the use of engineered joining technology components to grow annually by 3 to 15% between 2010 and 2015, depending on the industry and technical application. Vehicles, construction machines and engines are a few examples of areas where we expect to see sustainable growth. With its strong market position, global presence and high commitment to innovation, service quality and delivery reliability, NORMA Group is ideally positioned to benefit from these trends.

Successful organic growth and targeted, value-adding acquisitions

NORMA Group's management follows a strategy of organic and acquisitive growth. In order to strengthen its organic growth, NORMA Group is committed to continuously expanding its range of solutions for existing EJT customers, identifying and acquiring new EJT customers, expanding and diversifying the DS customer base and entering new value-adding end markets for engineered joining technology, such as the drainage market.

Dual distribution structure as unique selling point

Engineered Joining Technology
Tailored, high-tech products developed to meet specific requirements of individual OEM customers



Distribution Services
High-quality standardised brand products for a variety of applications

Selected acquisitions which complement our internal growth are also an integral component of NORMA Group's long-term growth strategy. The company identifies and evaluates potential acquisitions according to strict criteria. Future acquisitions will strengthen the Group's regional presence, complement its product portfolio, improve access to customers and generate synergies.

Continuous optimisation of production processes and cost structures

In order to sustain a level of high profitability and to strengthen the Group's cash flow, the management of NORMA Group has implemented optimisation measures. These include cost discipline, continuously improving processes in all functions and regions, successful supply chain management and the comprehensive optimisation of the Group's production structure, which was completed for Europe in 2010. As part of this optimisation process, NORMA Group concentrated large-volume, automated production processes, which were mainly standardised, around select high-tech production facilities. This allowed the Group to benefit from significant economies of scale. Moreover, NORMA Group relocated a large portion of its production processes with higher manual assembly to countries with lower labour costs. The management also initiated the "Global Excellence" programme in 2009, which has already lead to significant cost reductions. Based on more than 400 identified and implemented cost improvement measures, Global Excellence will enable NORMA Group to generate cost advantages by improving the Group's flexibility in future.

> "Our strong market position, global presence, and high commitment to innovation, service quality and on-time delivery allow us to benefit from global megatrends."

Continuous monitoring of select financial and non-financial performance indicators

Management's leadership of NORMA Group mainly relies on financial performance indicators. The main indicators used are total sales, adjusted EBITDA and EBITA ratios, capital employed in new investments and working capital, equity ratios, the risk profile of currency exposures and interest rates, as well as the risk of changing cost of materials. Non-financial performance indicators include market penetration, the ability to solve problems, level of innovation, improvements in productivity and a sustainable company development.

"The IMF adjusted its growth forecast for the global economy to 4% for 2011 and 2012."

General business conditions

Downturn in the global economy

The global economic recovery has lost a considerable amount of momentum since the dynamic start beginning of 2011. According to adjusted OECD information from the beginning of October, in the second quarter, worldwide GDP growth rose by just +0.3% compared to the previous quarter and +1.7% year-on-year. According to the US Department of Commerce, real GDP of the USA grew by an annualised rate of 1.3% in the second quarter of 2011. While previous quarters were shaped by considerable disparity between the growth rates of different regions and nations across the world, the economic slowdown has now spread to all economic areas and major industrialised nations. Growth rates slowed down to a range of +0.1% and +0.3% compared to the previous quarter in the USA, the European Union and eurozone, as well as the OECD region as a whole. This corresponds to a very small increase of between 1.6% and 1.7% year-on-year (source: OECD). Japan is still in the grip of recession. In Europe, the economies of Greece and Portugal recorded negative growth.

The ongoing polarised public debate in the eurozone has led to significant uncertainty and is putting a dent in the real economy. While the situation remains extremely robust in several areas, confidence among companies and consumers has clearly been affected. The lack of a clear way forward or a unified political approach to combating the European debt crisis, the weak condition of the US economy, the slowdown in the Chinese economy and the emerging possibility of a new banking crisis are the factors shaping the global economic situation in fall 2011. The possibility of major economic regions slipping into recession can no longer be ruled out.

At the end of September, the International Monetary Fund (IMF) stated that the global economy was entering a "dangerous new phase". According to its most recent World Economic Outlook, the IMF expects the global economy to grow by just 4.0% this year and in 2012. Following 5.1% growth in 2010, the IMF experts projected in June of this year a growth rate of +4.3% for 2011 and +4.5% for 2012. The IMF now revised its expectations of the US economy to grow by just 1.5% in 2011 and 1.8% in 2012 (previously 2.5% and 2.7% respectively). The IMF also released a more conservative forecast for the eurozone. It now expects this economy to grow by 1.6% (instead of 2.0%) in 2011, and then by 1.1% in 2012 (instead of 1.7%). The IMF forecasted growth of +9.5% for the Chinese economy in the current year and +9.0% in 2012, following the 10.3% growth seen in the previous year.

Europe depressed by the unresolved European debt crisis and a new banking crisis

According to the OECD and the statistical office of the European Union, Eurostat, the economy grew by 1.7% year-on-year in the second quarter of 2011 in the EU (27 countries) and by 1.6% in the eurozone (17 countries). This represents a considerable downturn compared to the GDP growth of 2.4% seen in the first quarter of this year. Compared to a strong previous quarter, GDP grew by just 0.2% between March and June 2011 (both EU-27 and EZ-17). This weak growth is primarily due to a downturn in private consumption as a direct consequence of the debt crisis. The economic slump is also reflected in the key economic indicators of all major countries in the eurozone. In this connection, Germany has lost its position as the driving force of the European economy. The German and French economies stagnated in the second quarter of 2011 compared to the previous quarter (GDP +0.1% and +/-0.0% respectively).

GDP growth rates

in %	Q1 2011	Q2 2011	**Q3 2011e**	FY 2011e	FY 2012e
USA	+0.4	+1.3	+2.5	+1.5	+1.8
China	+9.7	+9.5	+9.1	+9.5	+9.0
Eurozone	+2.4	+1.6	+0.2	+1.5	+0.5
Germany	+4.6	+2.8	–	+2.9	+0.8

Quellen: OECD, IMF, NBS China, US-Department of Commerce, Eu-Commision, Autumn forecast for Germany

Growth was also marginal in both Spain (+0.2%) and Italy (+0.3%). Even though annual growth rates are still clearly positive in Germany (+2.8%) and France (+1.6%), these rates are much lower than in previous quarters. Beyond the borders of the eurozone, the economy of the United Kingdom has also lost some of its momentum. Its GDP grew by 0.1% in the second quarter of 2011 compared to the previous month, while the annual rate was a moderate +0.6%.

Industrial production in the eurozone levelled off in May and June (+0.2% and -0.8% respectively, compared to the previous month) in line with the weak GDP figures for the second quarter of 2011. However, production rebounded respectably in July (+1.1%) and August (+1.2%). This represents a significant monthly increase in production of 4.4% (July) and 5.3% (August). This positive development was driven year-on-year by the improvement in capital goods (+12.2%) and intermediate goods (+5.3%). The production of commodities and consumer goods also went up, although the energy sector is still trending downwards. Europe's economy is currently on a precarious path between low growth, stagnation and the threat of a downturn. The European Commission's November forecast expects the downward trends to intensify over the rest of the year, and a slide into recession is no longer excluded. The forecast projects a slightly negative growth rate of -0.1% for the eurozone in the fourth quarter of 2011. Its forecast for real GDP growth for the full year 2011 has also been adjusted downwards from +1.6% to now +1.5%. For 2012, the European Commission currently expects only +0.5% growth. Germany's leading economic research institutes expect growth in the eurozone to fall from +1.5% in the current year to just +0.4% in the coming year, making them far more sceptical about 2012 than the OECD (forecast eurozone 2012: +1.1%).

The risks faced by the economy and stability of Europe (and by the world indirectly) are immense. Long-term political solutions are needed for the European debt crisis and for the new emerging crisis in the banking sector. ECB president Jean-Claude Trichet warned that the crisis had reached a "systemic dimension" for Europe and called for the recapitalisation of "systematically important" banks, as did the President of the European Commission José Manuel Barroso. Europe's governments met at the end of October to decide on the nature of the expanded EFSF bailout and a haircut for Greece.

German economy cools off significantly after economic boom, but recession remains unlikely

The German economy made a strong start into 2011. Germany's largest boom since its reunification was widely touted as the "XXL boom". For a long time, Germany remained immune to the uncertainty in Europe and the weak US economy. However, the domestic economy has cooled off significantly since the second quarter of 2011. Compared with the strong start to the year, subsequent growth in the German economy has been less impressive (real GDP in Q2 2011: +0.1% on previous quarter, +2.8% year-on-year). Important leading indicators have taken a turn for the worse in the meantime. At the end of September, the German Bundesbank confirmed that the situation was better than the prevailing mood stating that a recession was unlikely. The most significant barometer of public opinion, the Ifo Business Climate Index, fell every month between June and October (October = 106.4 points). The index shows that the current situation is still solid (October = 116.7 points) and that Germany has been able to withstand the downward spiral that affected other national economies relatively well so far. On the other hand, the expectations component fell considerably to just 97.0 points in October. This suggests that the economy will weaken further over

“The German engineering sector remains on course for strong growth.”

the months to come. A similarly negative picture is painted by the ZEW economic sentiment indicator, which went down by 5.0 more points in October to -48.3 points, its lowest point since the end of 2008. Among all the negative announcements, German exports surprised everyone by increasing to a record high of EUR 85.3 billion. This represents an increase of 3.5% compared to June, and an extraordinary 14.6% rise year-on-year. Exports to countries in the eurozone were 11.5% higher than in the same month last year.

However, the fall forecasts of the four leading German economic research institutes indicate that the outlook for the German economy is now much bleaker than it was before. Due to a strong start into the year, the institutes still expect real GDP to grow by 2.9% in 2011. Growth is expected to be marginal in the third quarter, and GDP is actually forecasted to decline slightly in the final quarter. Experts believe the economy will return to moderate growth at the beginning of 2012. A recession is not expected. The previous forecast for 2012 was revised downwards considerably, from +2.0% to +0.8%. The institutions also emphasised that there would be considerable risks to the economy if there is no comprehensive solution forthcoming for the European debt crisis and regarding the problems in the financial system. The fall forecasts also expect private demand to be robust in Germany, as record employment levels, decreasing unemployment rate, higher wages and lower inflation (1.8% after 2.3% for 2011) are expected in 2012.

The cooling of the economy is currently expected to bottom out by the end of 2011. There is every chance that the economy will return to moderate growth next year, provided the risks do not intensify.

German engineering sector set to remain on course for growth into the new year

Due to its strong competitive position, favourable currency situation and excellent order volume, the German engineering sector remains on course for strong growth. The sector’s real production went up by 16.4% in the first seven months of 2011. Capacity utilisation remains high and was above long-term average of 89.4% in July at 89.9%. Order entry rose by 21% between January and July 2011. Orders were split almost equally between domestic and overseas commissions. New orders from customers in the European Union increased 11%. However, as volatility and uncertainty need some time to affect the sector, the number of incoming orders is expected to level out over the rest of the year. The average backlog was 5.8 months in June 2011, split between a range of specialist areas, such as machine tool manufacture, power systems, compressors, compressed air and vacuum technology, and mining machinery, even with a minimum range of ten months. Many NORMA Group customers are engineering companies, which frequently require fluid and engine joining solutions for various applications.

Industry association VDMA still expects production to rise by 14% in 2011 and reach EUR 197 billion. This would equal the pre-crisis volume from 2008. The association expects engineering to reach a peak in the course of 2012. The VDMA forecasts a real growth rate of 4% for 2012.

“The VDA expects a normalisation of the rapidly growing car market in 2012.”

German automotive industry on course for record figures

Despite first signals of a crisis, Germany’s automotive sector is still performing extremely well. A robust domestic market and significant growth in the USA and BRIC group of countries outstripped the sector’s weaker performance in Western Europe. German manufacturers are particularly successful in expanding their market share in the USA and China. Thanks to a solid order pipeline and lively demand for exports, the German automotive industry is running close to capacity limits. Production is considerably higher than before the crisis. In the first nine months of 2011, a total of 2.4 million new passenger vehicles were registered in the domestic market, representing an increase of 11.0%. More than 242,000 commercial vehicles were registered in Germany (+21.0%). Both August and September were strong months for the German car industry. Passenger vehicle exports went up by 8.0% in the first nine months of the year to 3.4 million units. Production in Germany rose to 4.4 million passenger vehicles by the end of September, an improvement of 7.0%. The growth rate halfway through the year was around +5%.

The Chinese automobile market – now the second largest market for the German car industry – is still booming. Production is forecast to climb 8% in 2011 to over 12 million units. German manufacturers have a market share of approximately 20% in China and primarily serve the market with cars they manufacture in the region. The US automotive market is booming despite a generally weak performance of the country’s economy. The total number of passenger vehicles and light vehicles (SUVs, pickups, etc.) registered in September went up by 10% year-on-year, with the light vehicles subsegment climbing remarkably by 17%. With increases of 19% and 27% respectively, German manufacturers produced an above-average proportion of these vehicles. The VDA expects the global automotive market to sell around 65 million units (passenger vehicles) in 2011. This would represent an increase of almost 6%. The VDA expects a “normalisation of the rapidly growing” car market in 2012.

Construction industry records significant recovery in residential buildings, Association more optimistic

Following a short recovery in the first quarter of the year, the Western European construction industry took another downturn in the second quarter, with June being particularly weak. According to Eurostat, the statistical office of the European Union, production in the construction sector fell by 1.3% in the EU-27 countries in the second quarter when adjusted for seasonal effects. The relatively dramatic 4.5% decrease in Germany in June had a negative impact. However, the considerable growth in the first four to five months of the year, which reached double digits at times, compensated for the month of June. Germany’s construction sector has overall performed better than expected in spring. Residential construction in particular benefited from low interest rates, lower unemployment and the expectation that salaries will improve. According to the German Federal Statistical Office, the number of residential construction permits went up by 27.9% to 108,600 units in the first half of 2011.

The Association of the German Construction Industry (Hauptverband der Deutschen Bauindustrie) revised its sales forecast for 2011 upwards in October. It now expects nominal sales growth of 7% (+5% real). Residential construction is set to record nominal growth of 12%, corresponding to 170,000 new residential units. Due to a full utilisation of capacities in the manufacturing industry, nominal growth of 9% is expected for commercial construction. Total sales in the public construction sector will record a nominal 1% increase in 2011. Even though local authorities will spend an estimated 1.4% more on construction due to increased business tax revenue, the federal government is investing less in construction.

"We were able to continue our extremely successful growth track."

Business development

Major events

Successful IPO in April 2011
NORMA Group AG successfully started trading in the Prime Standard of the Frankfurt Stock Exchange on 8 April 2011. The issue price for NORMA Group's shares was set at EUR 21.00. The gross proceeds from the capital increase reached EUR 147 million, which were partially used to repay the company's financial liabilities as part of a comprehensive optimisation of NORMA Group's financing structure. This step has improved the company's flexibility to finance future growth.

Part of the expenses associated with the IPO was due in 2010, with the majority due in the first half of 2011. Both expenses were reported as adjusted costs. The cost of a phantom share programme to award managers, who are not part of the Management Board of NORMA Group AG, for their outstanding performance was adjusted and deferred proportionately in the 2010 annual financial statements and then deferred in full in the first quarter of 2011.

The capital increase, the new refinancing resulting in lower syndicated liabilities to banks and the significantly improved interest structure for the company's remaining external financing have led to non-recurring expenses in the first half of 2011, but have had a positive impact on the net financial result since the third quarter. Following the successful restructuring of NORMA Group's financing, a new syndicated credit facility of EUR 250 million was added to the company's financing, while the EUR 125 million revolving credit facility for acquisitions and current assets was extended. The international bank syndicate comprises 15 financial institutions and was coordinated by Commerzbank AG, SEB AG and UniCredit AG as mandated lead arrangers and bookbuilders, with the support of Westdeutsche Landesbank as a lead arranger.

Major steps forward in international growth
The integration of NORMA Group's two US acquisitions, R.G. Ray (May 2010; NORMA Illinois) and Craig Assembly (December 2010; NORMA St. Clair) was completed according to plan at the end of the first quarter of 2011. R.G. Ray relocated the production of heavy duty clamps to the production facilities in Mexico and Michigan, USA. The sales organisations were successfully integrated with each other. The in-sourcing of injection moulded plastic parts for all US facilities will be concentrated at Craig Assembly's (NORMA St. Clair) production facility. Corresponding measures have been implemented and will be completed over the course of 2011.

“We have reinforced our competitive position in high-growth markets.”

The improved operating performance in the Americas segment is based on increase in volumes as well as the successful integration of the two acquired companies into NORMA Group. This success underlines our strategic objective of guiding every acquired company to the Group-wide profit margin as quickly as possible and reflects our ability to implement integration measures. Redundancy payments caused by the integration resulted in one-off expenses which had an effect on the result posted by our Americas segment in the first quarter of 2011. NORMA Group’s management is pleased with the acquisitions and the speed at which they were integrated into the Group. The integration of NORMA Group’s new acquisitions is not expected to result in any further significant expenses.

NORMA Group has significantly reinforced its competitive position in Asia-Pacific over recent years by opening new facilities in India, Japan and Malaysia. In addition to expanding its production plants in China and India, NORMA Group also expanded its presence in the fast-growing economy Thailand with the opening of a new production facility at the end of 2010. Thus, NORMA Group is continuing to consistently improve its market position in the region.

The company started producing fluid systems for emission control in Thailand in January 2011. NORMA Group intends to expand its capacities to reach up to two million units annually within three years. The primary purpose of the site in Thailand is to supply the domestic demand of Thai industrial suppliers. The engineered products produced in Thailand will also be exported to Malaysia and Australia. NORMA Group intends to further expand its presence in the Asia-Pacific region and increase its market share with international customers as well as local producers and distributors. There will be particular focus on setting up a strong operations and supply chain strategy, which will be used to guarantee sustainable sales growth and operating cost efficiency in the region.

In July 2011, NORMA Group opened a new facility in Serbia to expand its global network and strengthen its presence in emerging markets. The company’s new production facility is located in Subotica in the North of Serbia, around 10 kilometres from the Hungarian border. The site covers around 12,500 m² focusing on the manufacturing of NORMA Group’s “NormaFLEX” joining elements to the highest quality. The local team will contribute to the Group’s sales growth in the EMEA region as it already acquired its first renowned customers. NORMA Group has currently around 40 employees in Subotica. We intend to increase this number to 350 as we utilise more capacity.

We expanded the NORMA Group distribution team in Brazil in the third quarter of 2011. This was the initial step in strengthening our working relationship with existing customers in the area and acquiring new customers. Management considers this an important step of securing a share of the South American market, which is growing at an above average rate.

NORMA Group awarded major contract for innovative fluid systems

In October 2011, NORMA Group won a major contract for the development and production of tailor-made fluid systems by an international vehicle manufacturer. These fluid systems ensure the optimal transport of liquids in the exhaust system and reduce nitrogen oxide levels considerably. The innovative product solutions will be made for a range of different vehicle platforms. Once production kick-starts, the annual order volume will reach a low two-figure million volume in euros for a period of four years. Production will begin in 2014.

“The Management Board is very pleased with the overall growth achieved by the company.”

“Our organic growth of 16.4% in the first nine months of the year was due to an increase in volumes and new orders.”

Management Board on the business development

The general business environment remained almost entirely positive in the third quarter of 2011, and NORMA Group was able to continue its successful growth track. Demand for our engineered joining technology and system solutions was high across all of our customer segments and regions, leading to further considerable growth in sales in the third quarter. We acquired new customers in both of our distribution channels, EJT and DS.

Growth in volumes and new orders were the main drivers of the Group’s organic growth of 16.4% in the first nine months of 2011. The company was also able to implement a small number of price increases. The acquired companies from the previous year also made a positive contribution to our increased sales figures. Our organic growth was +10.3% in the third quarter of 2011.

The Management Board is very pleased with the overall growth achieved by the company, meaning that we remain committed to our forecast for 2011. However, we still expect growth rates to tail off somewhat from the extremely strong first half of 2011 over the rest of the year due to the deteriorating economic conditions and the fact that NORMA Group’s activity was extremely high in the second half of 2010.

We were able to compensate the majority of the increase in material costs, largely driven by cost reduction effects by the “Global Excellence Programme” and selective price increases. The increase in employee benefit expenses was disproportionately low compared with the growth in sales. The improvement in NORMA Group’s result is distorted by expenses related to our IPO. Our adjusted operating EBITA margin exceeded the high level of the previous year (for definition of adjustments, please see pages 29/30).

NORMA Group’s (trade) working capital reflects the company’s strong organic growth in the period under review, but is still characterised by a low level of capital commitment.

The capital increase from the IPO and the significant improvement of the equity ratio to 38.3% are reflected in the balance sheet figures as at 30 September 2011.

The Management Board is highly pleased with the course of business in the first nine months of 2011 and its impact on the company’s earnings, financial and net asset position. The rapid integration of our US acquisitions, our successful IPO and the subsequent refinancing will continue to have a positive impact over the rest of the year.

Group sales in EUR million

Effects on Group sales

	in kEUR	Share in %
Revenue Q1–Q3 2010	361,480	
Organic growth	59,251	16.4
Acquisitions	26,715	7.4
Currency effects	-5,702	-1.6
Revenue Q1–Q3 2011	**441,744**	**22.2**

Earnings, financials, net asset position

Sales and earnings performance

Strong growth in the first nine months of 2011

Group sales grew from EUR 131.0 million to EUR 145.8 million in the third quarter of 2011, an increase of EUR 14.8 million or 11.4%, leading to a total of EUR 441.7 million for the first nine months of 2011 compared with EUR 361.5 million in the first nine months of the previous year (+22.2%).

The strong nine-month growth is partially exaggerated due to the comparison with the weak months of January and February 2010. Sales in the period under review also included the EUR 26.7 million in sales generated by the US company R.G. Ray (NORMA Illinois) and Craig Assembly (NORMA St. Clair), which were acquired in May 2010 and December 2010 respectively. The organic growth of EUR 59.3 million or 16.4% is mostly driven by a significant increase in volumes and new orders resulting from strong demand. Price effects also had a small positive impact on sales.

The EJT business posted considerably improved sales in the first nine months of 2011. However, the sales generated by the DS unit only increased slightly year-on-year.

EJT's sales reached EUR 103.7 million in the third quarter of 2011, which equals an increase of EUR 17.3 million or 20.0% compared with the same quarter last year. This led to total EJT sales of EUR 311.0 million in the first nine months of 2011 following EUR 235.2 million in the previous year (+32.2%).

DS recorded sales of EUR 42.2 million in the third quarter of 2011, falling 6.8% from the level of last year's third quarter. This was due to its customers taking hardly any company holidays in the second half of 2010 due to the positive economic situation. This returned to normal in the second half of 2011. DS posted sales of EUR 131.8 million in the first nine months of 2011 compared with EUR 128.4 million in the previous year (+2.6%), a growth rate that is similar to that of global GDP.

The EJT unit made a significant contribution to the Group's growth. Bearing in mind the difficulty of making an accurate objective assessment when approximately 10,000 customers and 80 export markets are involved, volumes were generally higher in the EJT unit than in DS compared to the first nine months of the previous year, partly due to the company's acquisitions. Both units attracted new customers.

Materials usage ratio relatively stable despite increased cost of materials

The main raw materials used by the Group are austenitic steels, ferritic steels and plastic granules. Despite the increased cost of materials, NORMA Group's materials consumption, as a ratio of material costs to sales, remained relatively stable at 44.7% in the first nine months of 2011 compared with 44.4% in the same period of 2010. The company was able to compensate for the majority of the rise in the price of materials by using systematic cost reduction measures from the "Global Excellence Programme" or by passing the increased cost to customers with increased alloy surcharges in the EJT unit and higher prices in the DS unit.

Performance of the distribution channels

	EJT		DS	
in EUR million	**Q1–Q3 2011**	Q1–Q3 2010	**Q1–Q3 2011**	Q1–Q3 2010
Revenue	311	235	132	128
Growth	32%		3%	
Proportion of sales	70%	65%	30%	35%

After deduction of material cost and allowing changes in inventory, gross profit came to EUR 246.7 million in the first nine months of 2011 in comparison with the previous year's figure of EUR 204.7 million. The gross margin reached 55.8%, compared with 56.6% in the same period last year.

Increase in personnel expenses disproportionately low compared with growth in sales

The 20.2% increase in employee benefits expenses to EUR 109.1 million was disproportionately low compared with the growth in sales in the first nine months of 2011. Employee benefits expenses represented 24.7% of sales in comparison to 25.1% in the first nine months of 2010. This productivity is not just due to the Global Excellence Programme, but also due to the significant increase in volumes.

Employee benefits expenses include one-off expenses totalling EUR 4.2 million in the first nine months of 2011 (1 January to 30 September 2010: EUR 2.1 million). These one-off expenses, which were not included in operating earnings (adjusted EBITA), resulted mainly from severance payments in the first quarter related to the integration of the US companies acquired in 2010 and provisions for a phantom share programme run by the company's previous shareholders as well as bonus deferrals in connection with the IPO. This programme compensated managers, who are not in Management Board of NORMA Group AG, for their outstanding performance in preparation of the company's successful IPO. Adjusted for these one-off items, employee benefit expenses totalled approximately EUR 105.0 million in the first nine months of 2011, representing 23.8% of sales.

Other operating expenses also include costs from the IPO

Adjusted for one-off expenses, other operating expenses and income for production and administration reached EUR 51.3 million or 11.6% of sales in the first nine months of 2011 (1 January to 30 September 2010: EUR 41.4 million/11.5%). The cost of meeting capital market requirements, the initial setting-up of stock market-oriented structures and various Group-wide IT projects increased the proportion of other operating expenses to sales.

Other operating expenses in the first nine months of 2011 also included approximately EUR 11.5 million worth of one-off expenses. These adjusted expenses relate largely to expenses or provisions for expenses incurred during the company's IPO. Other operating expenses and income were burdened by one-off effects totalling EUR 3.8 million in the first nine months of 2010.

Beginning with the fourth quarter of 2011 no more one-off effects relating to the IPO are to be expected. All open items were renegotiated and finalised in the third quarter of 2011; the corresponding provisions have also been released.

Significant improvement in operating result

Earnings before interest, taxes, depreciation and amortisation (EBITDA) reached EUR 74.8 million (unadjusted) in the first nine months of 2011 including one-off effects. However, adjusted EBITA is a more meaningful indicator for NORMA Group's profit performance. Adjusted EBITA excludes amortisation of intangible assets resulting from purchase price allocations performed for historical acquisitions.

Adjusted EBITA in EUR million

“The adjusted EBITA improved by 23.6% in the first nine months of the year.”

This item also excludes one-off effects (mainly expenses associated with the IPO). Adjusted EBITA increased by 23.6% to EUR 80.1 million in the first nine months of 2011. Both distribution channels and all three reporting segments contributed to this improvement. The operating margin based on adjusted EBITA came to 18.1% in the first nine months of 2011 and is better than that of the first nine months of 2010.

The second half of the year is historically weaker for seasonal reasons. Therefore, the profit margin cannot be annualised for the remainder of the 2011 financial year.

Net financial result shaped by preparations for IPO and refinancing

The net financial result for the period under review was dominated by preparations for NORMA Group’s IPO. The liquidation of interest hedges with a negative market value of EUR 5.5 million in the first quarter of 2011 resulted in a loss, like general interest rate hedging and conversion effects and other expenses related to the refinancing. This led to an unadjusted net financial result of EUR -26.6 million in the first nine months of 2011 (1 January to 30 September 2010: EUR -9.7 million). Positive effects from the refinancing activities were fully visible in the third quarter 2011 as the unadjusted financial result reached EUR -3.5 million, compared with EUR -14.0 in the second quarter of 2011 or EUR -9.0 in the first quarter 2011.

Net proceeds from the IPO in April 2011 were used for refinancing activities. Syndicated liabilities to banks were reduced to EUR 250 million. This will significantly decrease the impact of expenses on the net financial result.

Financial and net asset position

Total assets reflect the Group’s strong growth

As at 30 September 2011, total assets were up 8.6% on year-end 2010 at EUR 628.4 million, largely due to the significant rise in current assets resulting from the strong increase in sales. Non-current assets contribute 63.7% of the total assets.

As at 30 September 2011, non-current assets consisted primarily of goodwill totalling EUR 221.4 million (31 December 2010: EUR 221.7 million), other intangible assets such as patents and trademarks worth EUR 74.3 million (31 December 2010: EUR 79.3 million) and property, plant and equipment, which came to EUR 96.3 million (31 December 2010: EUR 89.4 million).

Solid Group equity base of 38.3%

As at 30 September 2011, the consolidated balance sheet includes equity totalling EUR 240.9 million (31 December 2010: EUR 78.4 million). This rise was due to the capital increase resulting from the company’s IPO. This increased the equity ratio significantly to 38.3% at the end of the period under review (31 December 2010: 13.5%). The capital increase related to the IPO levelled equity far above net debt (EUR 222.5 million as at 30 September 2011). Gearing (ratio of net debt to equity) improved from around 4.4 at the end of 2010 to its current level of 0.9.

Provisions were up EUR 1.2 million to EUR 9.0 million as at 30 September 2011.

Adjusted operating net cash flow

in kEUR	Q1–Q3 2011	Q1–Q3 2010	FY 2010
Adjusted EBITDA	90,414	74,606	99,248
Change in working capital	-41,629	-44,101	-26,432
Investments from operating activities	-21,465	-8,655	-21,112
Adjusted operating net cash flow	**27,320**	**21,850**	**51,704**

IPO allows net financial debt to be reduced on schedule

Financial liabilities came to EUR 271.4 million at the reporting date of 30 September 2011. The Group also had EUR 48.9 million in liquid assets available. Net financial debt thus came to EUR 222.5 million, down from EUR 344.1 million at the end of the previous year.

The capital increase resulting from the IPO in April 2011 was used to pay off the mezzanine capital reducing NORMA Group's syndicated liabilities to banks to approximately EUR 250 million. Following the successful restructuring of NORMA Group's financing, a syndication of the total credit facility of EUR 375 million (including a revolving credit facility of EUR 125 million) was extended. The international bank syndicate comprised 15 financial institutions and was coordinated by Commerzbank AG, SEB AG and UniCredit AG as mandated lead arrangers and bookbuilders, with the support of Westdeutsche Landesbank as a lead arranger. This optimisation of NORMA Group's financing structure will position the Group well to take full advantage of future growth opportunities.

Capital commitment in (trade) working capital remains low despite strong growth

Trade payables totalled EUR 37.1 million as at 30 September 2011 (31 December 2010: EUR 48.3 million). Trade and other receivables came to EUR 97.1 million (31 December 2010: EUR 70.3 million). These changes are mostly due to the considerable growth in the Group's operating business. This item also includes receivables for the reimbursement of some of the costs of the IPO (EUR 2.6 million).

As at the reporting date of 30 September 2011, inventories had changed only slightly in comparison with the end of 2010 to EUR 68.3 million (31 December 2010: EUR 64.7 million) despite significantly improved sales figures.

NORMA Group's (trade) working capital (inventories plus receivables minus liabilities, both primarily from trade payables and trade receivables) was EUR 128.3 million as at 30 September 2011 (31 December 2010: EUR 86.7 million). The (trade) working capital is in line with the Group's dynamic course of business but was kept low in comparison to sales due to our consistent working capital management.

Adjusted net operating cash flow significantly positive

Group management tracks adjusted net cash flow from operating activities (adjusted EBITDA plus/minus changes in trade working capital less investments in operating activities) throughout the year and in the course of business as an internal performance indicator. This cash flow continued to be in-line with our expectations. The net cash flow from operating activities in the first nine months of 2011 was distinctly positive despite significant growth (EUR 27.3 million).

Cash flow from investing activities in operations came to EUR -25.1 million in the period under review (1 January to 30 September 2010: EUR -36.8 million). The majority of NORMA Group's capital expenditure was dedicated to projects with the specific objective of expanding our production capacities. The investments will ensure that NORMA Group has enough production capacity to achieve sales growth. Investment focused on capacity expansion in Germany and the USA, as well as on the new facility in Serbia.

On the basis of the long-term growth trend, NORMA Group in the medium term intends to invest between 4.0% and 4.5% of its annual sales in expansion and maintenance.

Cash flow from financing activities reached EUR 11.9 million in the first nine months of 2011 (1 January to 30 September 2010: EUR 4.3 million) and was dominated by the Group's successful IPO and the related refinancing.

Business segments in 9-months comparison

	EMEA		Americas		Asia-Pacific		**Total segments**	
in kEUR	**Q1–Q3 2011**	Q1–Q3 2010	**Q1–Q3 2011**	Q1–Q3 2010	**Q1–Q3 2011**	Q1–Q3 2010	**Q1–Q3 2011**	Q1–Q3 2010
Revenue from external customers	286,861	250,409	128,755	89,273	26,128	21,798	441,744	361,480
Contribution to consolidated group sales	65%	69%	29%	25%	6%	6%	100%	100%
Adjusted EBITDA	71,046	58,591	24,360	16,853	2,697	2,503	98,103*	77,947*

* before reconciliation to consolidated Group results (see pages 46/47).

Business segments

Successful in all three business regions

The key economic data for NORMA Group's three regional segments in the first nine months of 2011 and a comparison with the previous year is shown in the table.

All three regional segments achieved improvements in both sales and earnings. The Group was also able to acquire new customers and orders for newly developed products in all segments in the first nine months of 2011.

NORMA Group continued to impress with its performance in the **EMEA** region, both in the eurozone and in the Eastern European markets. Our decision to expand our activities in these dynamic regional markets is paying off. As planned, NORMA Group opened a new production facility in Serbia in July 2011 following the production start in Russia last year. Once it kick-starts production, this facility will contribute to the business and growth of NORMA Group.

The **Americas** region benefited from extremely strong organic growth. The consolidation effects from the acquisition of R.G. Ray (NORMA Illinois) in May 2010 and Craig Assembly (NORMA St. Clair) in December 2010 also made a positive impact in the Americas region.

Our performance in the **Asia-Pacific** region remains positive and highly dynamic. We continue to expand our activities consistently in the attractive markets in this region, in order to exploit the attractive growth potentials. Expanding our centres in the Asia-Pacific region – particularly the new plant in Thailand – will contribute significantly to these efforts. The management team of the Asia-Pacific region based in Singapore will develop and implement necessary growth structures for the region.

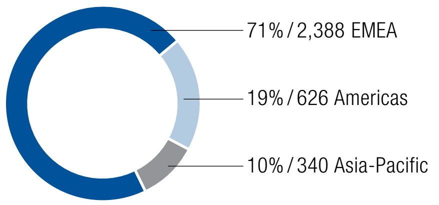
Employees

The total number of employees increased once again driven by the dynamic growth of NORMA Group. As at 30 September 2011, the Group had 3,354 employees (excluding temporary workers). The Group had 3,028 employees at the end of the 2010 financial year. The increase in the number of employees reflects our robust organic growth.

Management Board remuneration

Following the IPO, the remuneration for the members of the NORMA Group AG Management Board has a fixed component and a performance-based, variable component according to their employment contracts and pursuant to Section 87 of the German Stock Companies Act (AktG). The variable component comprises an annual cash bonus, a long-term cash-based incentive program assessed over a three-year period and a matching stock programme for the period from 2011 to 2015. The variable remuneration is based on the key financial indicators of NORMA Group and the company's share price.

Employees by region as of 30 September 2011



The members of the Management Board receive a one-off IPO bonus for their additional work and responsibilities related to the preparation and implementation of the IPO. This bonus will be paid in two tranches, the first in 2011 and the second in 2012. In order to be included in the matching stock programme, members of the Management Board have to hold a personal investment for the entire duration of the programme. There is a limit to the amount that a member of the Management Board can receive when exercising an option in either tranche.

The company has a directors' and officers' insurance policy for the members of its Management Board. Under the new employment contracts, this policy excludes 10% of the damage insured, up to a maximum of 1.5 times of the fixed remuneration for the Board member.

Risk report

NORMA Group's business activities expose it to various risks. These risks can have a negative impact on the Group's earnings, financial and net asset position in both the short and the long term. However, the Group also has numerous opportunities for value creation in the short and the long term.

The Group's overall risk structure consists of individual risks, which can also occur concurrently. Management is of the opinion that the Group's strategically reinforced broad diversification in terms of its products, customers, application areas and regions is a significant component of its internal risk spreading and reduction strategy.

Risks are monitored and managed on an ongoing basis within NORMA Group's risk management strategy at every organisational level and in all functions. Risks which have or show the potential to have a material impact on the Group's earnings, financial and net asset position are monitored and actively managed on a Group and regional level.

There was no significant change in the NORMA Group's opportunities and risks in the first nine months of 2011 in comparison to those described in the 2010 financial report.

However, NORMA Group is reacting to the risk posed by a possible economic decline in the fourth quarter of 2011 by monitoring order entries closely. Order entries function as an early indicator of economic downturn. The company is renegotiating its main supply contracts in response to the price increases on the world's raw materials markets and the risk of resources becoming scarce.

The Group is currently unaware of any risks that might endanger the ongoing course of business.

The company is well positioned to continue expanding its market position and growing internationally in the medium and long term.

"Thanks to the strong first half of 2011, we are confident about the future and have specified our outlook for the entire year to the upper end of the range."

Forecast

Guidance for 2011 specified

In the first nine months of the 2011, the company's sales and earnings improved significantly on its excellent performance in the previous year. However, as December is usually lower for seasonal reasons, we expect the final quarter of the year to be weaker than the previous quarters. In addition to its seasonality, December may well see an economic downturn due to current volatile macroeconomic trends.

Despite a slight slowdown in the global economy, business remains healthy for the majority of NORMA Group's major customers. NORMA Group's broad diversification in terms of products, regions and end markets gives it a relatively robust business model.

We have further specified our forecast for organic growth in the 2011 financial year from originally between 10% and 12% to now around 12%.

The consolidation of our two American acquisitions R.G. Ray (NORMA Illinois) and Craig Assembly (NORMA St. Clair) will provide additional sales of around EUR 20 million compared to the previous year. Taking all negative currency effects into account, we expect sales of approximately EUR 570 million for the year.

Despite the increased materials prices on global procurement markets, the Group's operating earnings target is expected to outperform the previous year's, achieving an improved adjusted EBITA margin for the 2011 financial year (adjusted for one-off expenses in the first quarter of 2011 resulting from the integration of our US acquisitions and one-off expenses related to the IPO as well as full-year adjustments resulting from purchase price allocations for tangible assets). The Group intends to reach this target on the basis of the considerable increase in sales as well as the effects from the Group-wide "Global Excellence" cost reduction programme.

Also due to the extremely positive performance of important customer groups, we remain committed to our target EBITA margin of near 18% for the year.

Condensed Consolidated Interim Financial Statements

Contents

Consolidated statement of financial position

as of 30 September 2011

Assets

in kEUR	Note	30 Sep 2011	31 Dec 2010
Non-current assets			
Goodwill	(11)	221,416	221,704
Other intangible assets	(11)	74,324	79,315
Property, plant and equipment	(11)	96,344	89,387
Other financial assets		397	397
Derivative financial assets	(17)	88	0
Income tax assets		1,929	2,406
Deferred income tax assets		6,025	6,025
		400,523	**399,234**
Current assets			
Inventories		68,258	64,709
Other non-financial assets		6,785	9,218
Income tax assets	(12)	6,760	4,914
Trade and other receivables	(12)	97,119	70,282
Cash and cash equivalents		48,919	30,426
		227,841	**179,549**
Total assets		**628,364**	**578,783**

Equity and liabilities

in kEUR	Note	30 Sep 2011	31 Dec 2010
Equity attributable to equity holders of the parent			
Subscribed capital	(13)	31,863	76
Capital reserves	(13)	212,251	96,650
Other reserves		-4,216	-1,364
Retained earnings	(13)	574	-20,116
Equity attributable to shareholders		**240,472**	**75,246**
Non-controlling interests	(13)	436	3,156
Total equity		**240,908**	**78,402**
Liabilities			
Non-current liabilities			
Retirement benefit obligations		8,953	9,063
Provisions	(14)	5,039	4,584
Borrowings	(15)	223,352	315,935
Other non-financial liabilities	(16)	1,613	0
Other financial liabilities		570	577
Derivative financial liabilities	(17)	16,777	0
Deferred income tax liabilities		31,310	34,450
		287,614	**364,609**
Current liabilities			
Provisions	(14)	3,953	3,255
Borrowings	(15)	28,985	44,162
Other non-financial liabilities		23,598	21,773
Other financial liabilities		1,737	8,319
Derivative financial liabilities	(17)	0	5,550
Income tax liabilities		4,501	4,402
Trade payables		37,068	48,311
		99,842	**135,772**
Total liabilities		**387,456**	**500,381**
Total equity and liabilities		**628,364**	**578,783**

Consolidated statement of comprehensive income

for the period from 1 January to 30 September 2011

in kEUR	Note	**Q3 2011**	Q3 2010	**Q1–Q3 2011**	Q1–Q3 2010
Revenue	(5)	145,878	130,950	441,744	361,480
Changes in inventories of finished goods and work in progress		1,226	952	2,436	3,594
Raw materials and consumables used	(5)	-65,939	-57,231	-197,512	-160,360
Gross profit		**81,165**	**74,671**	**246,668**	**204,714**
Other operating income		2,429	-3,011	7,601	4,823
Other operating expenses	(4, 6)	-16,075	-17,341	-70,321	-50,055
Employee benefit expenses	(4, 7)	-35,771	-31,472	-109,148	-90,782
Depreciation and amortisation		-5,327	-6,100	-16,900	-17,319
Operating profit		**26,421**	**16,747**	**57,900**	**51,381**
Financial income	(4, 8)	323	1,341	3,155	4,097
Financial costs	(4, 8)	-3,843	-4,320	-29,715	-13,759
Financial costs – net		**-3,520**	**-2,979**	**-26,560**	**-9,662**
Profit before income tax		**22,901**	**13,768**	**31,340**	**41,719**
Income taxes	(9)	-6,498	-6,053	-8,857	-9,798
Profit for the period		**16,403**	**7,715**	**22,483**	**31,921**
Other comprehensive income for the period, net of tax:					
Exchange differences on translation of foreign operations		234	-2,182	-521	-4,538
Cash flow hedges, net of tax	(17)	-3,174	157	-2,331	-1,328
Actuarial gains/losses on defined benefit plans, net of tax		0	-274	0	-822
Other comprehensive income for the period, net of tax		**-2,940**	**-2,299**	**-2,852**	**-6,688**
Total comprehensive income for the period		**13,463**	**5,416**	**19,631**	**25,233**
Profit attributable to					
Shareholders of the parent		16,376	7,689	22,466	31,707
Non-controlling interests	(13)	27	26	17	214
		16,403	**7,715**	**22,483**	**31,921**
Total comprehensive income attributable to					
Shareholders of the parent		13,436	5,390	19,614	25,019
Non-controlling interests	(13)	27	26	17	214
		13,463	**5,416**	**19,631**	**25,233**
Earnings per share (in EUR)	(10)	**0.54**	**0.31**	**0.76**	**1.28**

Consolidated statement of cash flows

for the period from 1 January to 30 September 2011

in kEUR	Note	**Q3 2011**	Q3 2010	**Q1–Q3 2011**	Q1–Q3 2010
Operating activities					
Profit for the period		**16,403**	**7,715**	**22,483**	**31,921**
Depreciation and amortization		5,327	6,109	16,900	17,328
Gain(-)/loss on disposal of property, plant and equipment		-56	-54	-197	-186
Change in provisions	(14)	-3,707	1,385	1,179	1,658
Change in deferred taxes	(9)	-3,680	920	-3,151	-4,268
Change in inventories, trade account reveivables and other receivables (without receivable for reimbursement IPO costs)		6,839	-3,469	-26,474	-38,043
Change in trade and other payables		9,013	2,432	-1,937	19,158
Interest paid		4,876	5,196	19,204	15,953
Other non-cash expenses/income		1,531	-5,674	3,995	-7,150
Net cash provided by operating activities		**36,546**	**14,560**	**32,002**	**36,371**
thereof interest received		288	155	1,062	349
thereof income taxes		-3,617	-2,136	-9,394	-5,902
Investing activities					
Purchase of former non-controlling interests	(13)	0	0	-4,677	0
Acquisition of subsidiaries		0	0	0	-28,332
Investments in property, plant and equipment		-3,221	-1,862	-20,511	-7,310
Proceeds from sale of property, plant and equipment		114	54	1,068	186
Investments in intangible assets		-285	-343	-954	-1,345
Net cash used in investing activities		**-3,392**	**-2,151**	**-25,074**	**-36,801**
Financing activities					
Proceeds from capital increase		0	0	147,000	15,000
IPO costs nettet with equity		-2,734	0	-6,544	0
Reimbursement IPO costs from shareholder		0	0	388	0
Interest paid		-4,876	-5,196	-19,204	-15,953
Dividends paid to non-controlling interests		0	0	0	-84
Refinancing costs		497	0	-7,859	0
Proceeds from borrowings	(15)	-1,701	0	288,792	12,306
Repayment of borrowings		-11,661	0	-390,697	-6,967
Net cash provided by financing activities		**-20,475**	**-5,196**	**11,876**	**4,302**
Net decrease(-)/increase in cash and cash equivalents		**12,679**	**7,213**	**18,804**	**3,872**
Cash and cash equivalents at beginning of year		36,219	24,735	30,426	27,185
Exchange gains/losses on cash		21	-167	-311	724
Cash and cash equivalents at end of the period		**48,919**	**31,781**	**48,919**	**31,781**

Consolidated statement of changes in equity

for the period from 1 January to 30 September 2011

in kEUR	Note	Attributable to equity holders of the parent: Subscribed Capital	Capital reserves	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2009		**76**	**81,650**	**3,779**	**-49,461**	**36,044**	**3,084**	**39,128**
Changes in equity for the period								
Result for the period					31,707	31,707	214	31,921
Exchange differences on translation of foreign operations				-4,538		-4,538	0	-4,538
Cash flow hedges, net of tax				-1,328		-1,328	0	-1,328
Actuarial gains/losses on defined benefit plans, net of tax					-822	-822	0	-822
Total comprehensive income for the period		**0**	**0**	**-5,866**	**30,885**	**25,019**	**214**	**25,233**
Proceeds from capital increase			15,000			15,000	367	15,367
Total transactions with owners for the period		**0**	**15,000**	**0**	**0**	**15,000**	**367**	**15,367**
Balance at 30 September 2010		**76**	**96,650**	**-2,087**	**-18,576**	**76,063**	**3,665**	**79,728**
Balance at 31 December 2010		**76**	**96,650**	**-1,364**	**-20,116**	**75,246**	**3,156**	**78,402**
Changes in equity for the period								
Result for the period					22,466	22,466	17	22,483
Exchange differences on translation of foreign operations				-521		-521	0	-521
Cash flow hedges, net of tax	(17)			-2,331		-2,331	0	-2,331
Actuarial gains/losses on defined benefit plans, net of tax					0	0	0	0
Total comprehensive income for the period		**0**	**0**	**-2,852**	**22,466**	**19,614**	**17**	**19,631**
Change in capital		24,787	-24,787			0	0	0
Proceeds from capital increase		7,000	140,000			147,000		147,000
Stock options					122	122		122
Reimbursement OPICP by shareholders			388			388		388
IPO costs directly netted with equity, net of tax					-4,738	-4,738		-4,738
Reimbursement IPO-costs by shareholders, net of tax					4,780	4,780		4,780
Acquisition of non-controlling interest					-1,940	-1,940	-2,737	-4,677
Total transactions with owners for the period	(13)	**31,787**	**115,601**	**0**	**-1,776**	**145,612**	**-2,737**	**142,875**
Balance at 30 September 2011		**31,863**	**212,251**	**-4,216**	**574**	**240,472**	**436**	**240,908**

Condensed notes on the consolidated financial statements

1. General information

These condensed consolidated financial statements of NORMA Group have been prepared in accordance with IAS 34 „Interim financial reporting", as adopted by the EU.

The condensed consolidated financial statements are to be read in connection with the consolidated financial statements for 2010. All IFRS to be applied for financial years beginning 1 January 2011, as adopted by the EU, have been taken into account.

The condensed financial statements were approved by the management on 15 November 2011.

2. Basis of preparation

The condensed financial statements are prepared using the same methods of accounting and consolidation principles as in the Notes to the consolidated annual financial statements for 2010. A detailed description of significant accounting principles can be found in the annual consolidated statements for 2010.

Standards to be applied for financial years beginning 1 January 2011 have no significant influence on the condensed financial statements of NORMA Group as of 30 September 2011.

The consolidated statement of comprehensive income has been prepared according to the total cost method.

The condensed financial statements are presented in "euro" (EUR).

Income tax expenses are calculated with an expected tax rate for the full financial year which is based on the best estimate of the weighted average annual income tax rate.

3. Basis of consolidation

The basis of consolidation for the consolidated financial statements to 30 September 2011 includes six German and 33 foreign companies as well as one associated company accounted for in accordance with IAS 39.

In the first half-year of 2011 NORMA Group founded the company NORMA do Brasil Sistemas de Conexão Ltda.

In the first quarter of 2011 the Group acquired the non-controlling interest in Fijaciones NORMA S.A. (Spain).

In the second quarter of 2011 NORMA Group acquired the non-controlling interest in NORMA Group Products India Pvt. Ltd.

Notes on the consolidated statement of comprehensive income, consolidated statement of financial position and other notes

4. Adjustments

Particularly due to costs in connection with the initial public offering (IPO) of NORMA Group in the second quarter of 2011, the result for the period is influenced by non-recurring expenses and restructuring costs.

The following table shows the profit and loss net of these expenses:

in kEUR	Note	Q1–Q3 2011	Q1–Q3 2010
Revenue	(5)	441,744	361,480
Changes in inventories of finished goods and work in progress		2,436	3,594
Raw materials and consumables used	(5)	-197,512	-160,360
Gross profit		**246,668**	**204,714**
Adjusted other operating income and expenses	(6)	-51,265	-41,403
Adjusted employee benefit expenses	(7)	-104,989	-88,705
Adjusted EBITDA		**90,414**	**74,606**
Depreciation without PPA depreciation		-10,317	-9,822
Adjusted EBITA		**80,097**	**64,784**
Amorisation without PPA amortisation		-2,055	-2,616
Adjusted operating profit (EBIT)		**78,042**	**62,168**
Adjusted financial costs – net	(8)	-13,400	-9,662
Adjusted profit before income tax		**64,642**	**52,506**
Adjusted income taxes	(9)	-18,048	-12,775
Adjusted profit for the period		**46,594**	**39,731**
Non-controlling interests		17	214
Adjusted profit attributable to shareholder of the parent		**46,577**	**39,517**
Adjusted earnings per shares (in EUR)		1.59	1.59

Due to the acquisition of R.G. Ray and Craig Assembly in May 2010 and December 2010 respectively, comparison between the periods is limited. The acquired contribution of the two companies to revenue of the first nine months of 2011 was kEUR 26,715.

5. Revenue and raw materials and consumables used

in kEUR	Q1–Q3 2011	Q1–Q3 2010
Engineered Joining Technologies	310,983	235,152
Distribution Services	131,800	128,414
Other revenue	2,805	1,683
Deductions	-3,844	-3,769
	441,744	**361,480**

Revenue for the first nine months of 2011 (kEUR 441,744) was 22.2% above revenue for the first nine months of 2010 (kEUR 361,480). The sales figures for the first nine months of 2011 include the acquired sales (totalling kEUR 26,715) of the US companies R.G. Ray and Craig Assembly which were acquired in May of 2010 and December of 2010 respectively.

The raw materials and consumables used changed accordingly.

6. Other operating expenses

Other operating expenses include costs due to the IPO amounting to kEUR 11,455. A provision which was recognised in the first quarter of 2011 for costs related to the IPO was released in the third quarter due to the stock price development. In the first nine months of 2010 non-recurring and non-period related items of kEUR 3,829 were recognised.

7. Employee benefit expenses

With the IPO of NORMA Group in the second quarter of 2011, the amount to be paid due to the Operational Performance Incentive Cash Programme (see note 19) was finalised; an additional liability of kEUR 1,821 was recognised in the first quarter of 2011. The payment to the eligible executive managers was carried out in the second quarter of 2011. A part of the expenses was already reimbursed by the previous shareholders in the first half of 2011 (see note 13).

The employee benefit expenses are further impacted by restructuring costs resulting from the acquisitions in North America as well as by bonus accruals for the IPO, leading to adjustments of kEUR 4,159 (Q1-3 2010: kEUR 2,077).

8. Financial income and costs

With the IPO of NORMA Group in April 2011 the syndicated bank borrowings were repaid. In the first quarter of 2011 the interest swap on these loans was liquidated leading to an expense of kEUR 5,550. In addition expenses of about kEUR 7,610 occurred in preparing the refinancing.

Further changes to the net financial costs result from exchange rate and interest rate effects due to financing activities.

Costs amounting to kEUR 7,859 that are directly attributable to the refinancing were netted with the bank borrowings in accordance with IAS 39.43. They are amortised over the financing period of five years using the effective interest method.

9. Income taxes

The income taxes for the first nine months of 2010 are influenced by deferred tax assets resulting from the utilisation of tax losses and tax credits from the prior year for which no deferred income tax assets were recognised (kEUR 1,952) and tax losses and tax credits from prior years for which income tax assets were recognised in the current year (kEUR 1,722).

10. Earnings per share

On 14 March 2011 NORMA Group changed its legal form to a public company. The resulting 24,862,400 shares (excluding shares held by the company, that had been repurchased in April 2011) resulting from the conversion have already been included in the calculation for earnings per share from 1 January 2010 onwards. There was no additional issuance of shares in the period as the subscribed capital was increased via company capital.

With the IPO on 8 April 2011 an additional seven million shares were issued.

	Date	No. of shares (unweighted)	Weighting in days	**No. of shares (weighted)**
	1 Jan 2010	24,862,400	273	24,862,400
	1 Jan 2011	24,862,400	273	24,862,400
Capital increase through the issuance of new shares	8 April 2011	7,000,000	176	4,512,821
	30 Sep 2011	**31,862,400**	**273**	**29,375,221**

The earnings per share were as follows:

	Q1–Q3 2011	Q1–Q3 2010
Profit attributable to shareholders of the parent (in kEUR)	22,466	31,707
Number of weighted shares	29,375,221	24,862,400
Earnings per share (in EUR)	0.76	1.28

11. Property, plant and equipment and intangible assets

In the first nine months of 2011 kEUR 21,465 were invested in property, plant and equipment and intangible assets. The main focus of the investments were expansions in Germany and the USA as well as the new production site in Serbia. The change in goodwill from kEUR 221,704 to kEUR 221,416 resulted from exchange differences.

12. Current assets

NORMA Group will receive a reimbursement by the previous shareholders for a part of the costs incurred due to preparations for the IPO. In the third quarter the amount was finalised at kEUR 6,602; it was recognised in equity (see note 13). In the second quarter, kEUR 3,953 of this was paid. The remaining amount of kEUR 2,649 is shown as a receivable. The additional increase in receivables resulted from trade accounts receivables.

Prepayments of income taxes increased the income tax assets.

13. Equity

Purchase of the non-controlling interest of Fijaciones NORMA S.A.

On 5 January 2011, the Group acquired 45.16% of the share capital of Fijaciones NORMA S.A. (Spain) for a cash consideration of EUR 4.45 million, which was previously held by non-controlling shareholders. After this transaction the Group now owns 100% of the shares.

This acquisition was accounted for as an equity transaction. The difference between the cash consideration and the acquired non-controlling interests (kEUR 2,889) was recognised directly in equity and attributed to the Group.

Purchase of non-controlling interest of NORMA Group Products India PvT. Ltd.

On 15 June 2011, the Group acquired 20% of the share capital of NORMA Group Products India PvT. Ltd. for a cash consideration of kEUR 235, which was previously held by non-controlling shareholders. After this transaction the Group now owns 100% of the shares.

This acquisition was accounted for as an equity transaction. The difference between the cash consideration and the acquired non-controlling interests (kEUR -152) was recognised directly in equity and attributed to the Group.

Change of legal form to a public company

With the change of the legal form of NORMA Group to a public company on 14 March 2011, kEUR 24,787 were reclassified from capital reserves to subscribed capital.

Effects in equity resulting from the IPO

NORMA Group AG successfully began trading on the Prime Standard of the Frankfurt Stock Exchange on 8 April 2011. The issue price for NORMA Group's shares was EUR 21.00.

In the course of the IPO a capital increase of seven million shares was placed, leading to an increase in the subscribed capital of kEUR 7,000 and an increase of the capital reserve of kEUR 140,000.

Transaction costs directly associated with the IPO of kEUR 6,544 were recognised net of tax in retained earnings. The amount decreased by kEUR 988 compared to 30 June 2011 due to the development of the stock price and the resulting release of a provision.

A part of the expenses for the IPO will be reimbursed by the previous shareholders and recognised in the retained earnings. In the third quarter the amount was finalised at kEUR 6,602.

The costs for the Operational Performance Incentive Cash Programme (OPICP) of kEUR 2,808 will be partly reimbursed by the previous shareholders. In the first quarter of 2011 kEUR 388 was paid and recognised in the capital reserve in accordance with the agreement.

Authorised and conditional capital

The Management board was authorized by the extraordinary shareholders' meeting on 6 April 2011 in the period ending on 5 April 2016, to increase the company's registered share capital in one or more transactions by up to EUR 15,931,200 in aggregate by issuing up to 15,931,200 new no par value registered shares against cash contributions or contributions in kind (authorised capital).

With the resolution of the extraordinary shareholders' meeting on 6 April 2011 the company's share capital has been conditionally increased by up to EUR 12,505,000 through the issuance of up to 12,505,000 new no par value registered shares (conditional capital). The conditional capital increase serves to issue shares to the holders or creditors of convertible or warrant-linked bonds as well as profit participation rights based on the authorisation approved by the extraordinary shareholders' meeting of 6 April 2011.

14. Provisions

Provisions increased from kEUR 7,839 to kEUR 8,992. The decrease compared to 30 June 2011 is the result of the release of a provision due to the stock price development.

15. Borrowings

With the IPO all bank borrowings were refinanced in the second quarter of 2011.

The new syndicated bank facilities of EUR 250 million have a maturity until 2016 and are denominated in Euro. Additionally a revolving credit facility of EUR 125 million is available for financing the operating business or future acquisitions.

in kEUR	No later than 1 year	Later than 1 year and no later than 2 years	Later than 2 year and no later than 5 years	Later than 5 years
Gross borrowings	20,000	22,500	82,500	125,000

Costs amounting to kEUR 7,859 that are directly attributable to the refinancing were netted with the bank borrowings in accordance with IAS 39.43. They are amortised over the financing period of five years using the effective interest method.

The coupon for the syndicated bank facilities is 2.25%. The variable interest rates are hedged.

16. Other non-financial liabilities

NORMA Group South East Europe d.o.o. (Serbia) received government grants amounting to kEUR 1,226 in the first nine months of 2011. They were accrued in the item “other non-financial liabilities”.

17. Derivative financial liabilities

With the IPO of NORMA Group in April 2011 the syndicated bank borrowings were repaid and refinanced.

In order to avoid interest rate fluctuations NORMA Group has hedged the loans by using derivative instruments. To reflect the financial performance of NORMA Group, parts of the new syndicated bank facilities were translated into foreign currencies for which interest and currency risks were hedged.

As a result of the liquidation of the old hedges from the old borrowing and the market value of the new hedges, an amount of kEUR -2,331 was recognised in other comprehensive income.

18. Segment reporting

NORMA Group segments the company at a regional level. The reportable segments of NORMA Group are EMEA, the Americas, and Asia-Pacific. NORMA Group’s vision includes regional growth targets. Distribution services are focused regionally and locally. EMEA and the Americas have linked regional intercompany organisations of different functions. As a result, the Group’s management reporting and controlling system has a strong regional focus. The product portfolio does not vary between these segments.

NORMA Group measures the performance of its segments through a profit or loss indicator which is referred to as “adjusted EBITDA”.

	EMEA		Americas		Asia-Pacific		**Total segments**	
in kEUR	**Q1–Q3 2011**	Q1–Q3 2010	**Q1–Q3 2011**	Q1–Q3 2010	**Q1–Q3 2011**	Q1–Q3 2010	**Q1–Q3 2011**	Q1–Q3 2010
Total revenue	304,030	269,778	134,431	94,694	26,882	22,405	465,343	386,877
thereof inter-segment revenue	17,169	19,369	5,676	5,421	754	607	23,599	25,397
Revenue from external customers	**286,861**	**250,409**	**128,755**	**89,273**	**26,128**	**21,798**	**441,744**	**361,480**
Contribution to consolidated group sales	65%	69%	29%	25%	6%	6%	100%	100%
Adjusted EBITDA	71,046	58,591	24,360	16,853	2,697	2,503	98,103	77,947
Assets (prior year as of 31 Dec 2010)*	410,845	399,539	212,830	205,302	32,870	30,179	656,545	635,020

* including allocated goodwills, taxes are shown in reconcilitation.

EBITDA comprises revenue, changes in inventories of finished goods and work in progress, raw materials and consumables used, other operating income and expenses, and employee benefit expenses. EBITDA is measured in a manner consistent with that used in the statement of comprehensive income.

The adjustments to EBITDA in 2011 relate mostly to costs resulting from preparations for the IPO of NORMA Group AG or other non-recurring/non-period related items, restructuring costs from the first quarter of 2011 (closure of facilities, transfer of products, severances with respect to the integration of the US-companies acquired in 2010), and other Group items (mainly Group stewardship/sponsor-related costs).

Inter-segment revenue is recorded at values that approximate third-party selling prices.

Segment assets comprise all assets less (current and deferred) income tax assets. Taxes are shown in the reconciliation. Segment assets and liabilities are measured in a manner consistent with that used in the statement of financial position.

Reconciliation		**Consolidated group**	
Q1–Q3 2011	Q1–Q3 2010	**Q1–Q3 2011**	Q1–Q3 2010
-23,599	-25,397	441,744	361,480
-23,599	-25,397	0	0
0	**0**	**441,744**	**361,480**
-7,689	-3,341	90,414	74,606
-28,181	-56,237	628,364	578,783

The reconciliation of the segments' adjusted EBITDA is as follows:

in kEUR	**Q1–Q3 2011**	Q1–Q3 2010
Total segments' adjusted EBITDA	98,103	77,947
Holdings	-5,529	-2,820
Eliminations	-2,160	-521
Total adjusted EBITDA of the group	**90,414**	**74,606**
Restructuring costs	-725	0
Non-recurring or non-period related costs	-14,706	-5,636
Other group items	-183	-270
EBITDA of the group	**74,800**	**68,700**
Depreciation and Amortization	-16,900	-17,319
Financial costs	-26,560	-9,662
Profit before tax	**31,340**	**41,719**

The non-recurring and non-period expenses primarily relate to costs incurred in connection with the IPO.

19. Operational Performance Incentive Cash Programme

In 2008, NORMA Group implemented the OPICP under which eligible executive managers of the second management level are granted phantom shares of NORMA Group AG entitling the participants to receive cash-payments in case of an exit event (IPO/sale).

With the IPO the amount of cash paid to the beneficiaries was finalised at kEUR 2,808 (of which recognised in 2011: kEUR 1,821).

A portion of the costs for the Operational Performance Incentive Cash Programme of kEUR 2,808 will be reimbursed by the former shareholders. The previous shareholders already reimbursed kEUR 388 which was recognised in capital reserves in accordance with the agreement.

20. Contingencies and commitments

Capital expenditure contracted for as of the balance sheet date but not yet incurred is as follows:

in kEUR	30 Sep 2011	31 Dec 2010
Property, plant and equipment	5,763	999
	5,763	**999**

The Group has contingent liabilities with respect to legal claims arising as part of the ordinary course of business.

NORMA Sweden is still the subject of an environmental examination by Uppsala municipality's environmental department which began last year. NORMA Sweden had to examine company premises that had been sold. Under Swedish law, the person who carried out an activity that caused pollution is deemed to be primarily responsible for remedial actions, i.e. investigations and remediation. After the examination in November 2009 the environmental department reviewed the report and ordered that further tests be made. NORMA Sweden has opposed this and so far the environmental department has not replied to the company's response.

NORMA Group does not believe that any of these contingent liabilities will have a material adverse effect on its business or that any material liabilities will arise from contingent liabilities.

21. Related party transactions

The shareholder structure of NORMA Group changed as a result of the IPO on 8 April 2011.

In the first nine months of 2011 management services of about kEUR 386 were received by related parties (Q1-3 2010: kEUR 230). In 2011 they mainly consisted of consulting services due to the IPO.

In the second quarter of 2011 the loan from 3 i-Fonds amounting to kEUR 11,900 as of 31 December 2010 was repaid including accrued interest in the course of refinancing the loans.

NORMA Group will receive a reimbursement for a portion of the costs incurred for the implementation of the OPIC programme from the former shareholders; a partial payment was already received in the second quarter.

Information regarding changes to management compensation can be found in the management report.

22. Changes in executive bodies

On 14 March 2011 NORMA Group formed a new Supervisory Board. It consists of the following persons:

Dr. Stefan Wolf, Chairman
Dr. Ulf von Haacke, Deputy Chairman
Dr. Christoph Schug
Günter Hauptmann (as of 6 April 2011)
Knut J. Michelberger (as of 6 April 2011)
Lars M. Berg (as of 6 April 2011)

With the transformation of NORMA Group into a public company the advisory board was terminated.

Maintal, 15 November 2011

NORMA Group AG
Management Board

Werner Deggim Dr. Othmar Belker

Bernd Kleinhens John Stephenson

Further Information

Financial Calendar 2012

27 Feb 2012	Preliminary Key Financial Indicators 2011
28 Mar 2012	Publication of Annual Consolidated Financial Statements 2011
14 May 2012	Publication of Interim Report Q1 2012
23 May 2012	Annual General Meeting in Frankfurt am Main
14 Aug 2012	Publication of Interim Report Q2 2012
13 Nov 2012	Publication of Interim Report Q3 2012

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Note to the Interim Report
This Interim Report is the English translation of the original German version; in case of deviations between these two the German version prevails.

Note regarding the rounding of figures
Due to the commercial rounding of figures and percentages small deviations may occur.

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