



Driven for Life.

Global Automotive Conference

New York, 19 November, 2014
Henrik Kaar, Director Corporate
Communications



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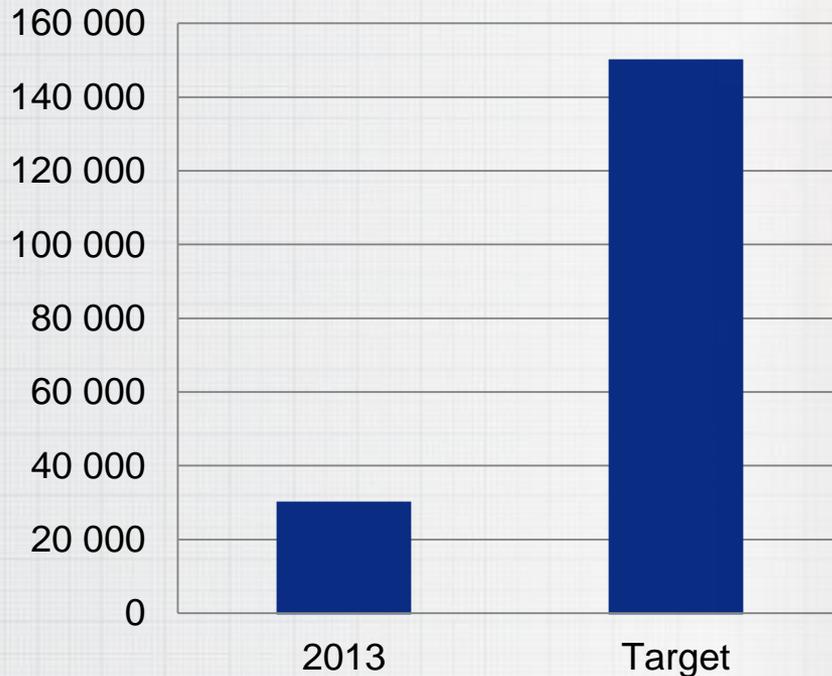
Safe Harbor Statement *

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(*) Non-US GAAP reconciliations are disclosed in our 8-K/10-K/10-Q filings available at www.sec.gov or www.autoliv.com.

Autoliv's Mission

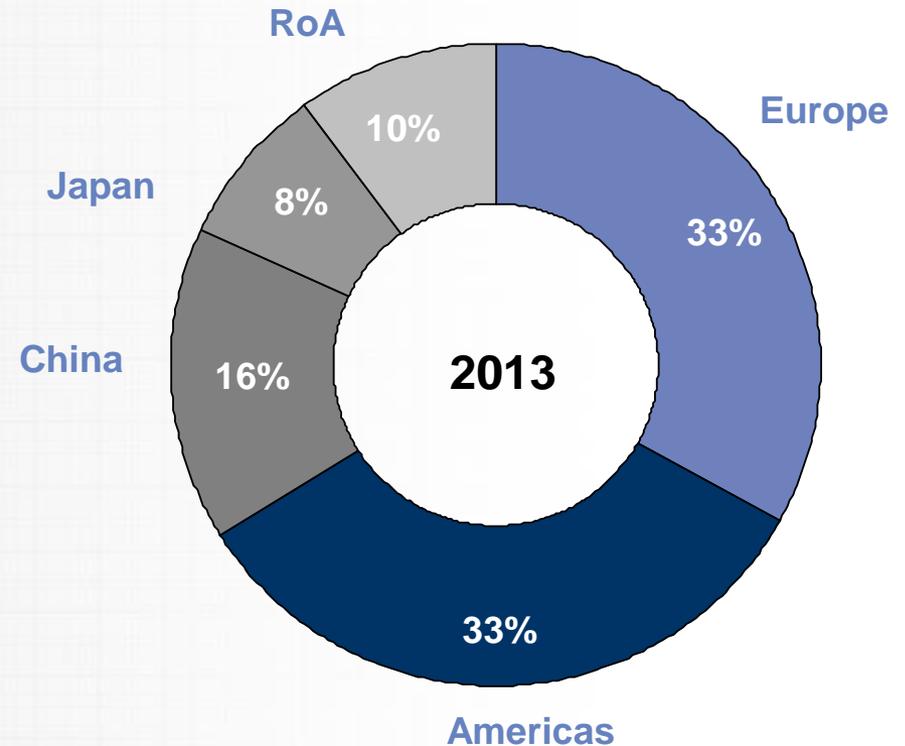
Human lives saved by our products



...additionally, our products prevent ten times as many severe injuries

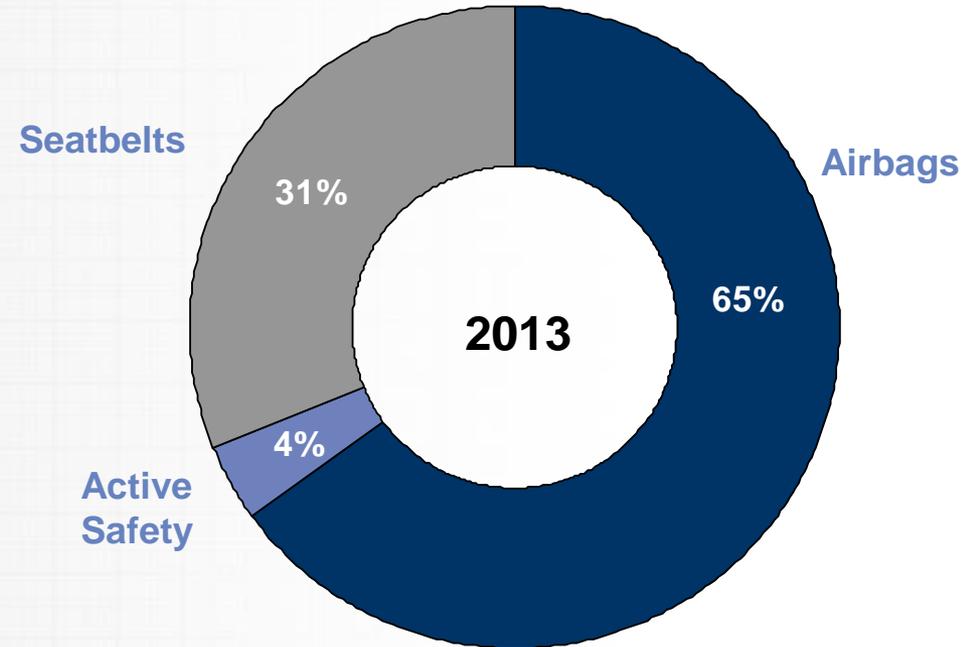
Autoliv in Brief

- Sales and technology leader
- Sales LTM US\$9.2 billion
- Sales to all major vehicle manufacturers
- Fortune 500 company with an A- credit rating (S&P)
- ~ 80 facilities in 29 countries
- 18 technical centers and 20 crash test tracks
- ~ 60,000 associates of which ~ 5,000 in R,D&E



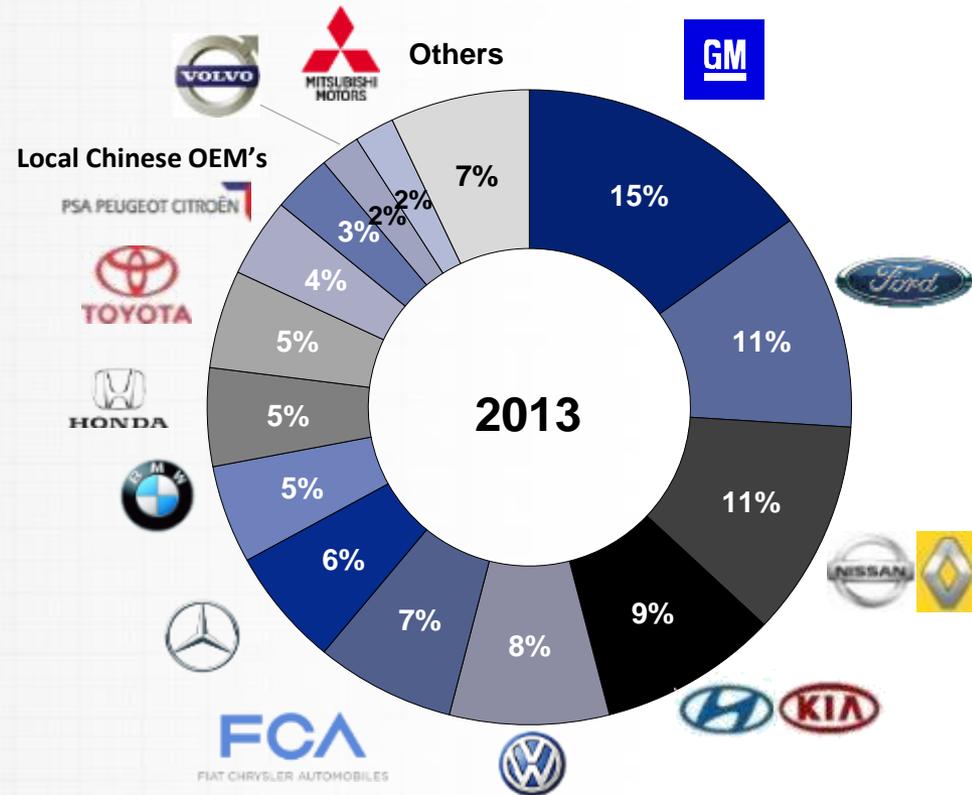
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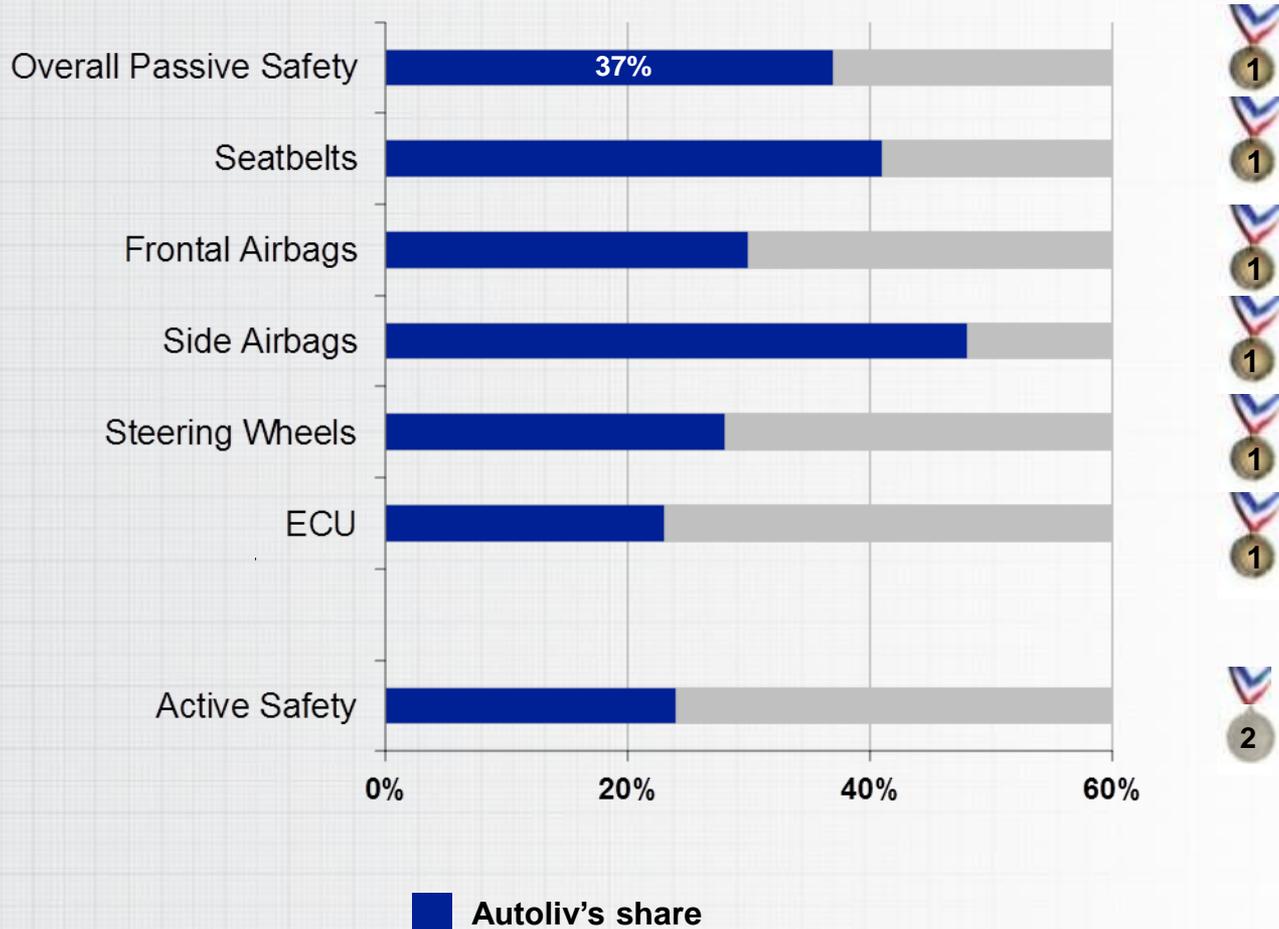
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Our diversified customer base includes virtually all the world's vehicle manufacturers

Market Shares 2013

- Global Safety Market Share by Product



Q3 Highlights

- Solid financial performance continues

■ Financial Performance

- Organic sales* growth 4.6%, global LVP 2.8%
- Operating margin* 8.5%, in-line with guidance
- EPS* \$1.25, YoY decline due to interest and tax
- Operating cash flow \$212M
- RoCE* ~ 21%, RoE* ~ 12%

■ Returned \$288M to shareholders

- Dividend paid \$0.54 per share and repurchased ~ 2.3M shares

■ Active Safety organic sales* growth ~ 30%



● Operating margin* in line with guidance despite lower than expected organic growth in China

(*) Non-US GAAP measure, Earnings per share, Return on Capital Employed and Return on Equity exclude costs for capacity alignments and antitrust matters, Light Vehicle Production according to IHS @ October 16, 2014.

Major Launches, Q3'14

Land Rover Discovery Sport



VW Passat



Nissan Pulsar



KIA Sorento



Acura TLX



Mercedes GT



BMW Active Tourer



Toyota Sienna



Dodge Challenger



Major Launches, Q3'14

- second OEM launching Pedestrian airbag

LAND ROVER DISCOVERY SPORT

PEDESTRIAN AIRBAG

The state-of-the-art pedestrian protection system, unique in the SUV class, employs innovative life-saving technology to make the new Land Rover Discovery Sport one of the safest cars on the road.

PEDESTRIAN IMPACT
The system can differentiate impact with a pedestrian from any other type of impact, avoiding unnecessary airbag deployment.

INSTANT DEPLOYMENT
The 110-litre airbag deploys within just 60 milliseconds of detecting an impact.

PRESSURE SENSORS
The system uses advanced pressure-tube sensors, located between the bumper cover and beam, to detect impact.

BONNET PANEL
The airbag module is integrated with a bonnet panel, which helps to spread the load evenly during deployment.

DRIVER VISIBILITY
The airbag deployment has been designed to ensure that the effect on the driver's vision is minimised, enhancing manoeuvring safety.

ENHANCED PROTECTION
The shape of the deployed airbag offers enhanced protection to a pedestrian in the event of an impact.

LAND ROVER
ABOVE & BEYOND

Market Conditions

- Remain mixed

■ Asia

- China growth rate is slowing, Q3'13 LV* sales ~ 4.9% expected Q4'14 LVP 5.7%
- LVP in Japan much stronger and RoA weaker than expected at the beginning of the year

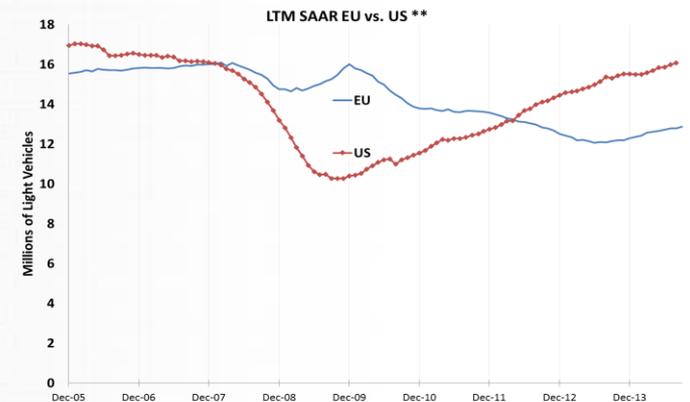
■ Americas

- Strong U.S. SAAR fueled by low interest rates
- South America LVP continues to weaken

■ Europe

- EU27 registrations continue a slow recovery, however no real signs of a cyclical rebound
- Car prices relative to income lower than ever due to incentives

FY'14 LVP * (YoY Chg. vs. FY13)		
Region	@ Oct-14	@ Jan-14
China	+ 9%	+ 10%
Japan	+ 2%	(8%)
RoA	(2%)	+ 3%
North America	+ 5%	+ 4%
South America	(16%)	+ 2%
Europe	+ 2%	+1%
Global	+ 3.3%	+3.5%

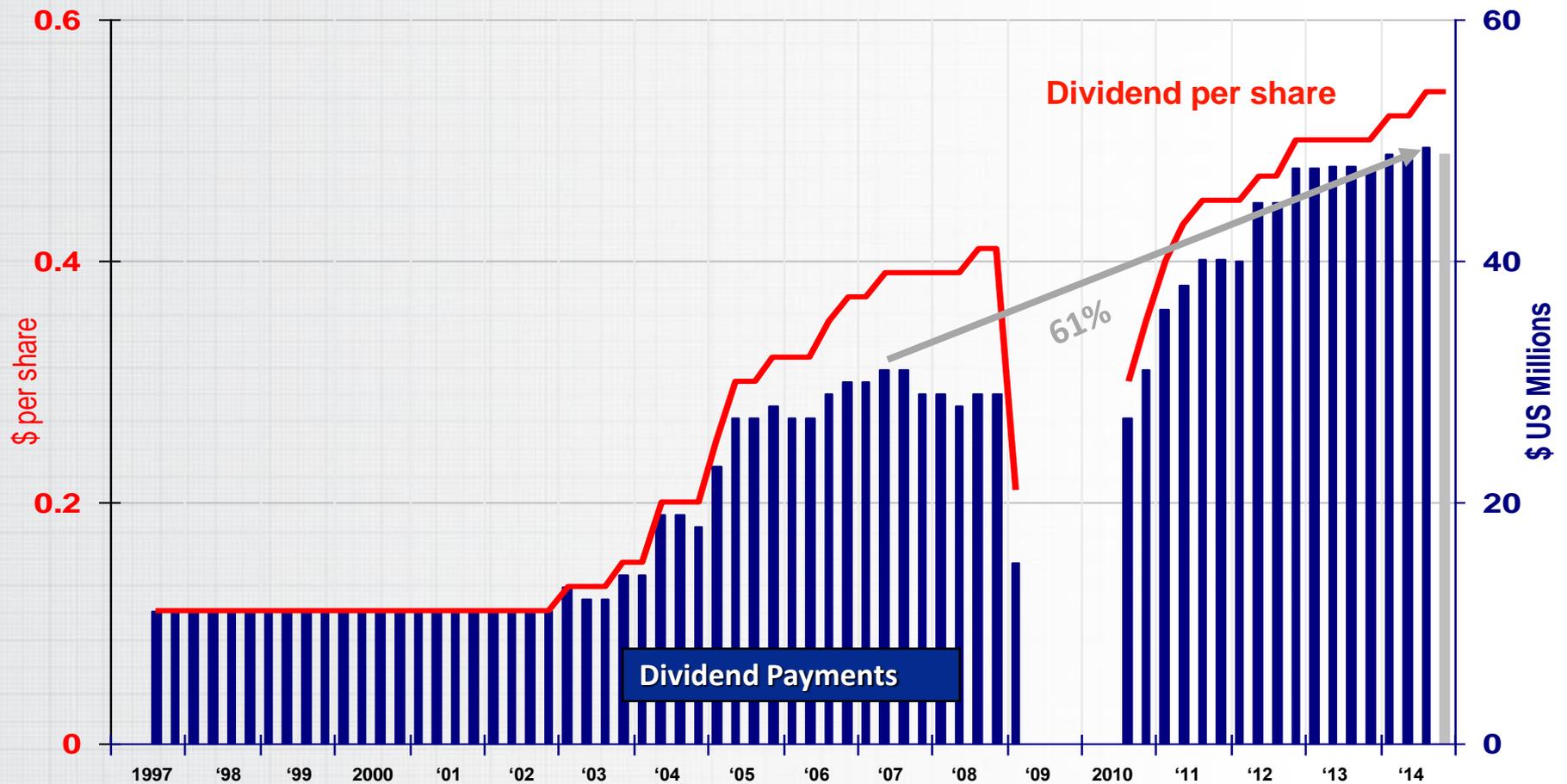


🚦 Macro uncertainties are gradually increasing

(*) Light Vehicle Production according to IHS @ October 16, 2014, Light Vehicle sales according to CAAM (**) Source: ACEA & Ward's Auto.

Dividend Trend

- Per share and cash payments*



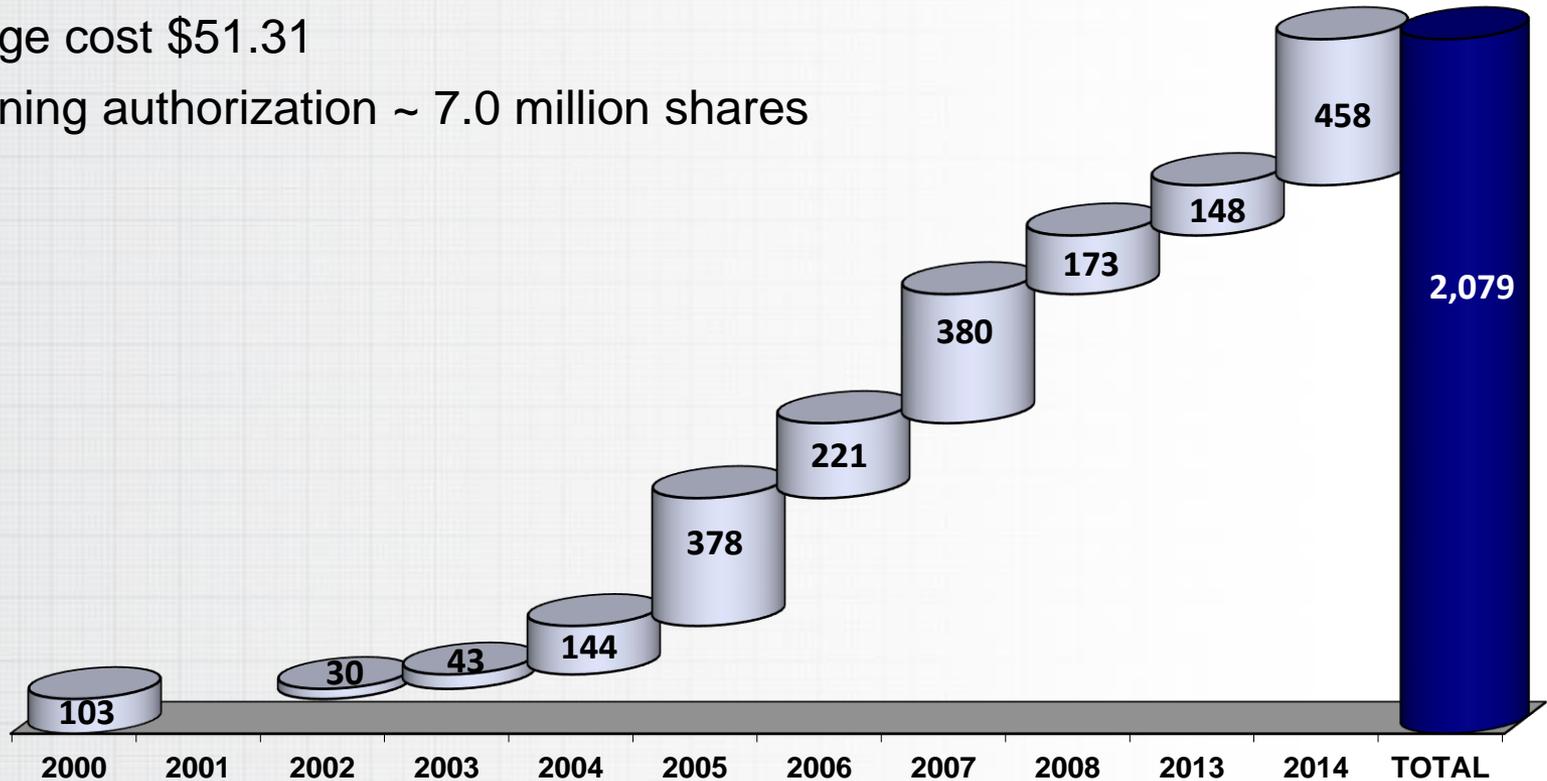
Annualized dividend \$2.16 per share based on dividend declared for Q3'14

(*) Estimated dividend payment for Q3 2014 based on share count at the end of the 2nd quarter 2014

Share Repurchase Program as of Oct 31st*

Program was re-initiated in October 2013

- 40.5 million shares
- average cost \$51.31
- remaining authorization ~ 7.0 million shares



Cost / share	2000	2001	2002	2003	2004	2005	2006	2007	2008	2013	2014	TOTAL
	\$22.68	0	\$19.57	\$20.97	\$41.97	\$44.86	\$55.69	\$57.35	\$46.77	\$90.39	\$100.14	\$51.31

⚡ Limited “open window” each quarter to repurchase shares

(*) MUS\$ except where specified

Looking Ahead

- Q4 2014

■ Sales

- **YoY organic sales* increase ~ 2%**
 - Mainly due to Active Safety and JOEMs in North America
- **Sequential organic sales* increase ~ 5%**
 - Mainly due to the ramp-up of new model launches, Active Safety

■ Operating Margin* ~ 9.5%

- **YoY**
 - RD&E net and mainly the ramp-up of capacity for growth and vertical integration offset the benefit from organic sales*, commodity costs and currency
- **Sequential**
 - Improvement mainly due organic sales* increase and RD&E income



🟡 Organic sales* growth in Q4'14 impacted with a tough comparison in Q4'13 of ~15% growth

(*) Non-US GAAP measures, Operating Margin excludes costs for capacity alignments and antitrust matters.

Financial Outlook

	Q4 2014	FY2014
<u>Sales</u>		
Organic*	~ 2%	~ 5.5%
Acquisitions / (Divestitures)	-	-
Fx**	~ (3%)	~ (1%)
Consolidated Sales	~ (1%)	~ 4.5%
Operating Margin*	~ 9.5%	~ 9%



● Solid financial performance continues in 2014

(*) Non-US GAAP measures, Operating Margin excludes costs for capacity alignments and antitrust matters,

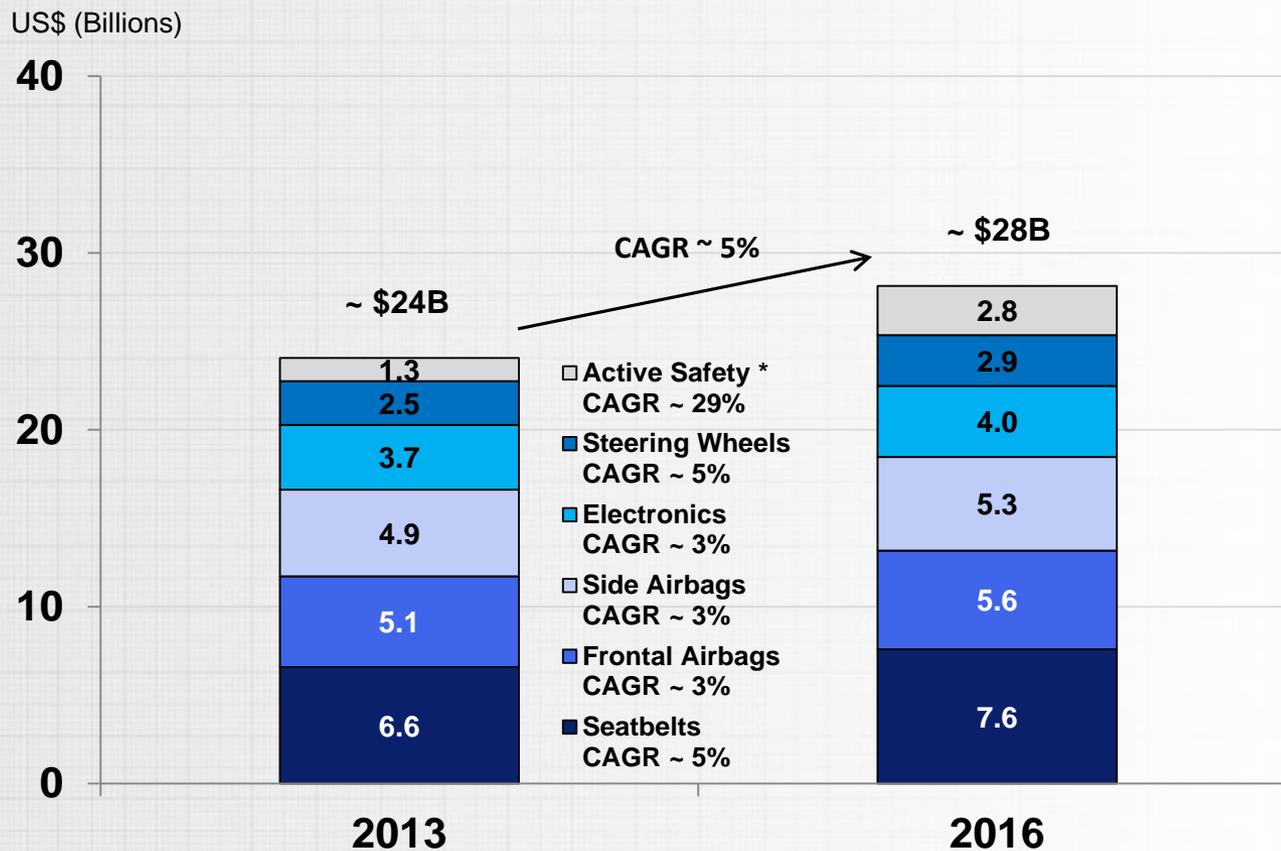
(**) 1 Euro = 1.28 US\$, 1 US\$ = 108 JPY for Q4'14 & 1 Euro = 1.33 US\$, 1 US\$ = 104 JPY for FY'14.

The needs now and later ...



Growth Drivers by Product

- Strong presence in product growth segments



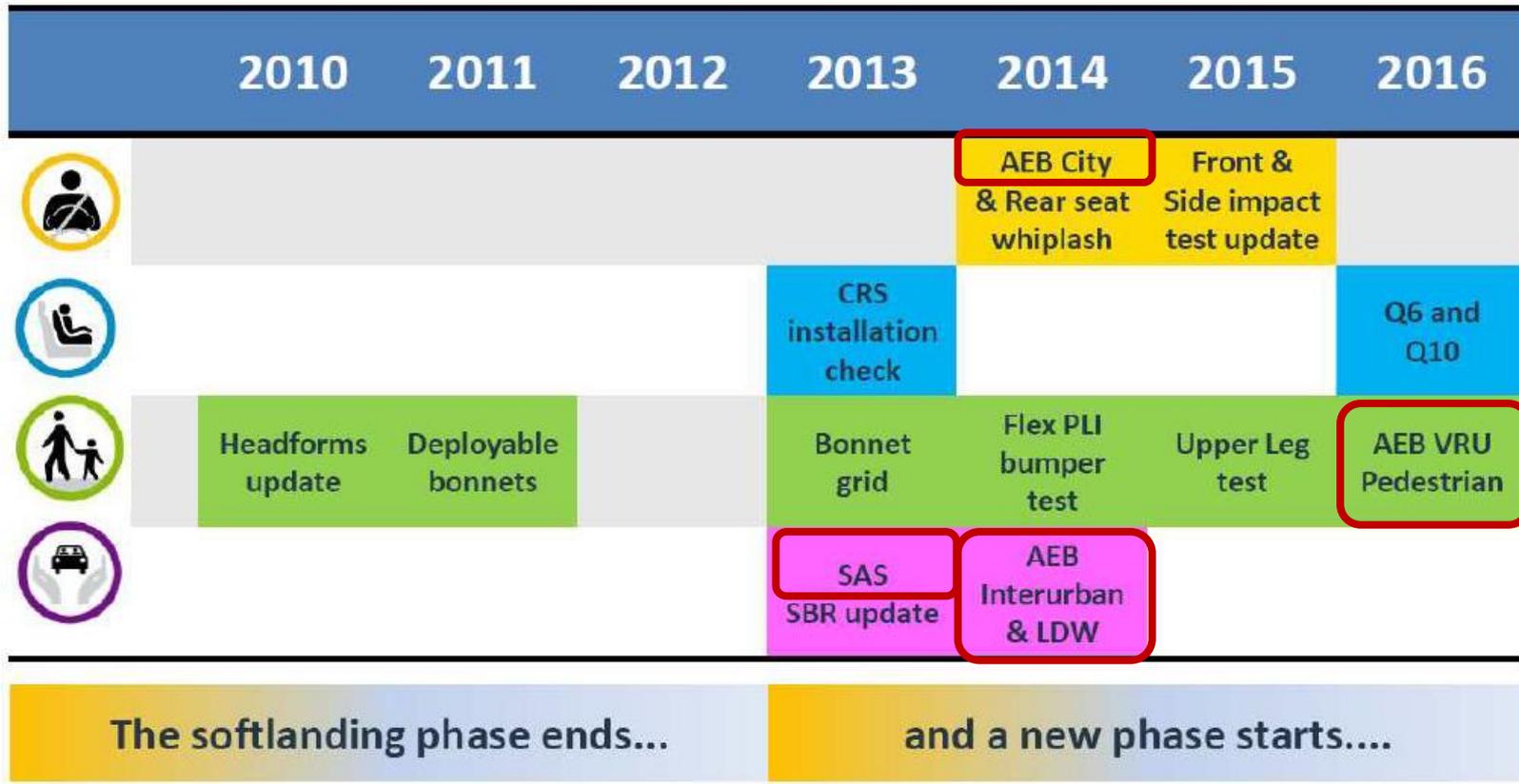
🚫 Airbag products growing slower than the overall market

(*) Includes radar, front-view camera, night driving assist. CAGR = Compound Annual Growth Rate

Euro NCAP Time Line



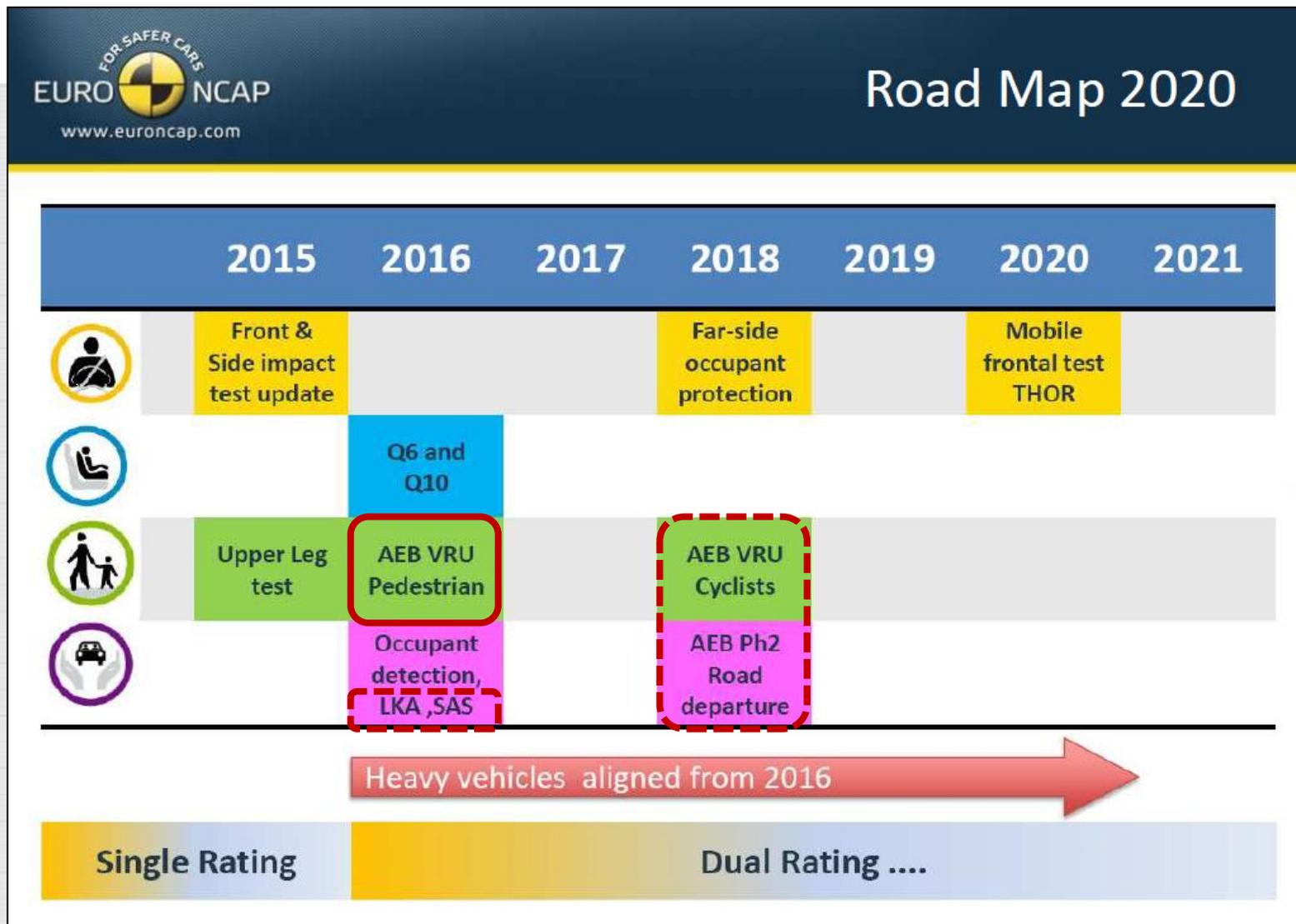
Rating Development 2009 - 2012 and 2013 - 2016




Active Safety Items 2013-16

Source: [Presentation given by Euro NCAP president Andre Seek during AsPeCSs Final Event, June 30th 2014](#)

Euro NCAP Time Line

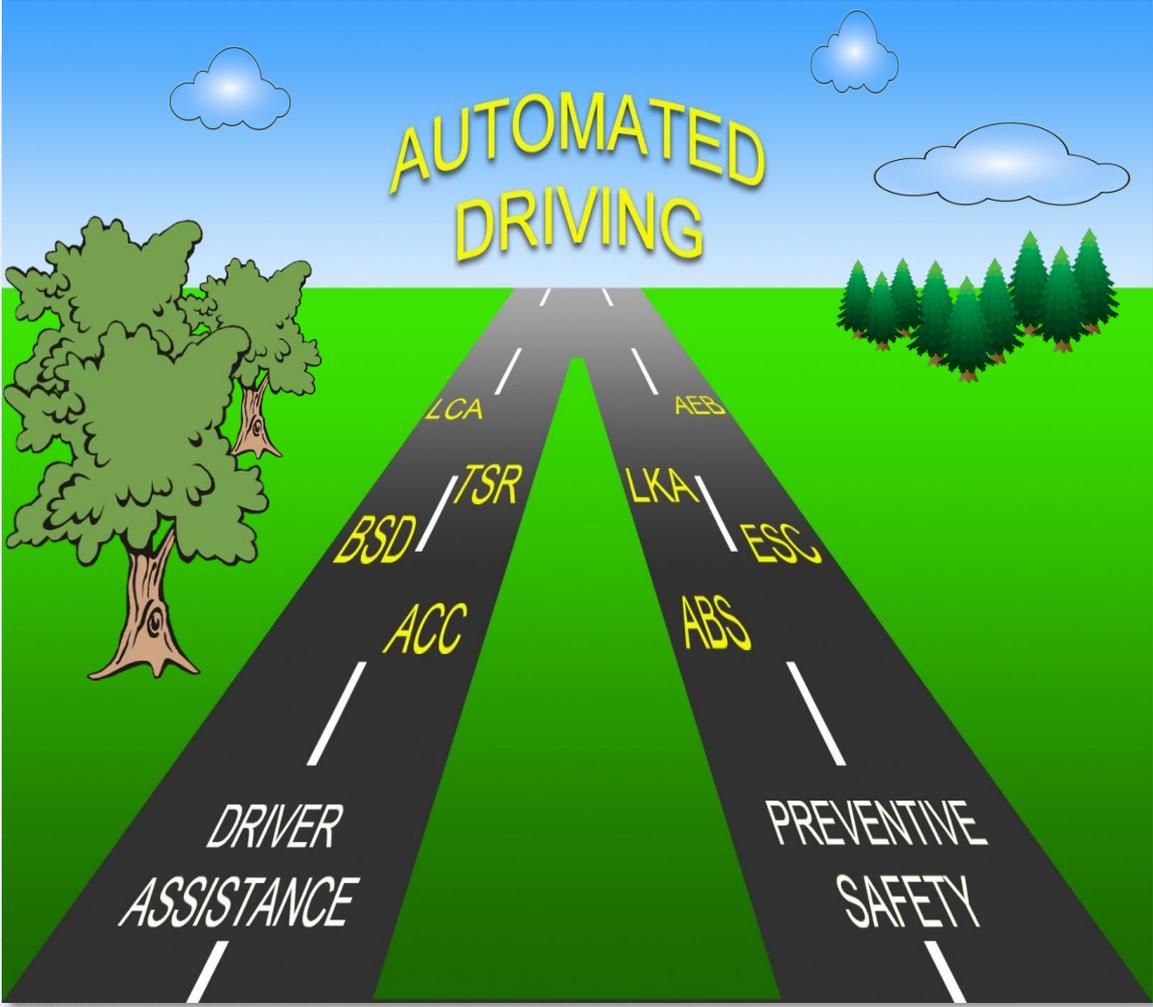


Active Safety Items 2013-16

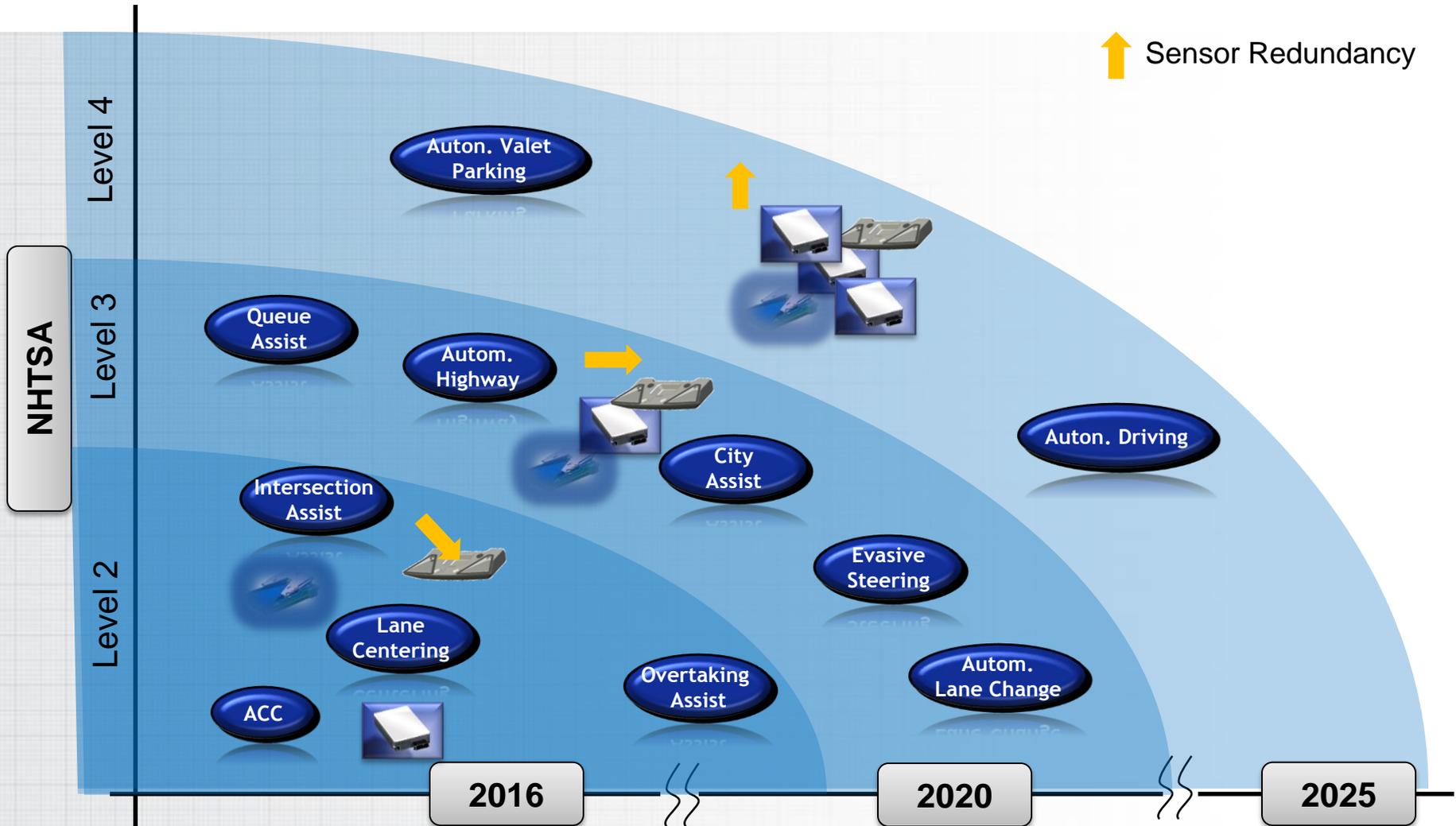
Active Safety Items 2016-20

Source: [Presentation given by Euro NCAP president Andre Seek during AsPeCSs Final Event, June 30th 2014](#)

Merging Roads



Function Roadmap vs NHTSA



Automated Driving

Traffic Deaths



By eliminating human errors that cause traffic accidents, Automated Driving can:

- Prevent millions of crashes
- Reduce the severity of injuries and property damage
- Save lives

Additional benefits:

- Increase driver comfort and productivity
- Use infrastructure more efficiently
- Reduce environmental impact
- Improve mobility

A side-view mirror of a car reflecting a road scene. The reflection shows a road with yellow double lines, a traffic light, and a building in the background. A semi-transparent text box is overlaid on the right side of the mirror's reflection.

Technology Enablers and Challenges

Key Active Safety Sensors

Are important to Understanding Surroundings, State of Driver and Vehicle

- **Camera based** – Visual features like lane, traffic signs, light, vehicles and pedestrians
- **Radar based** – Accurate & robust measurement of distance and velocity to various objects
- **Far Infrared based** – sensing living objects like animals and pedestrians using the object thermal signature
- **Other Technologies** – Lidar, Laser etc



Vision based Pedestrian Detection



Stereo vision General Object Detection



Stereo vision Free Space Detection

Japan, in heavy rain

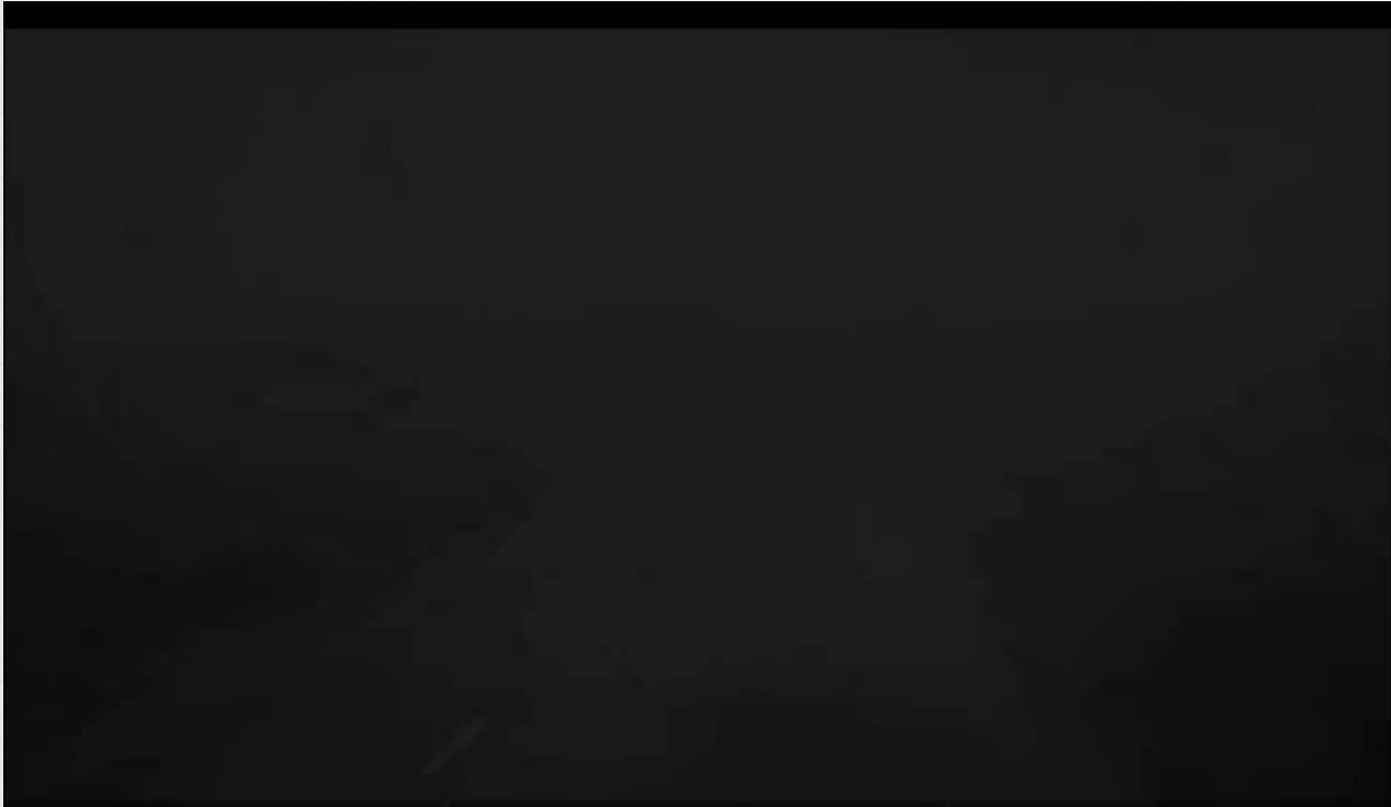


Stereo vision Road Surface Detection

Europe



Radar with Forward Collision Warning & Braking



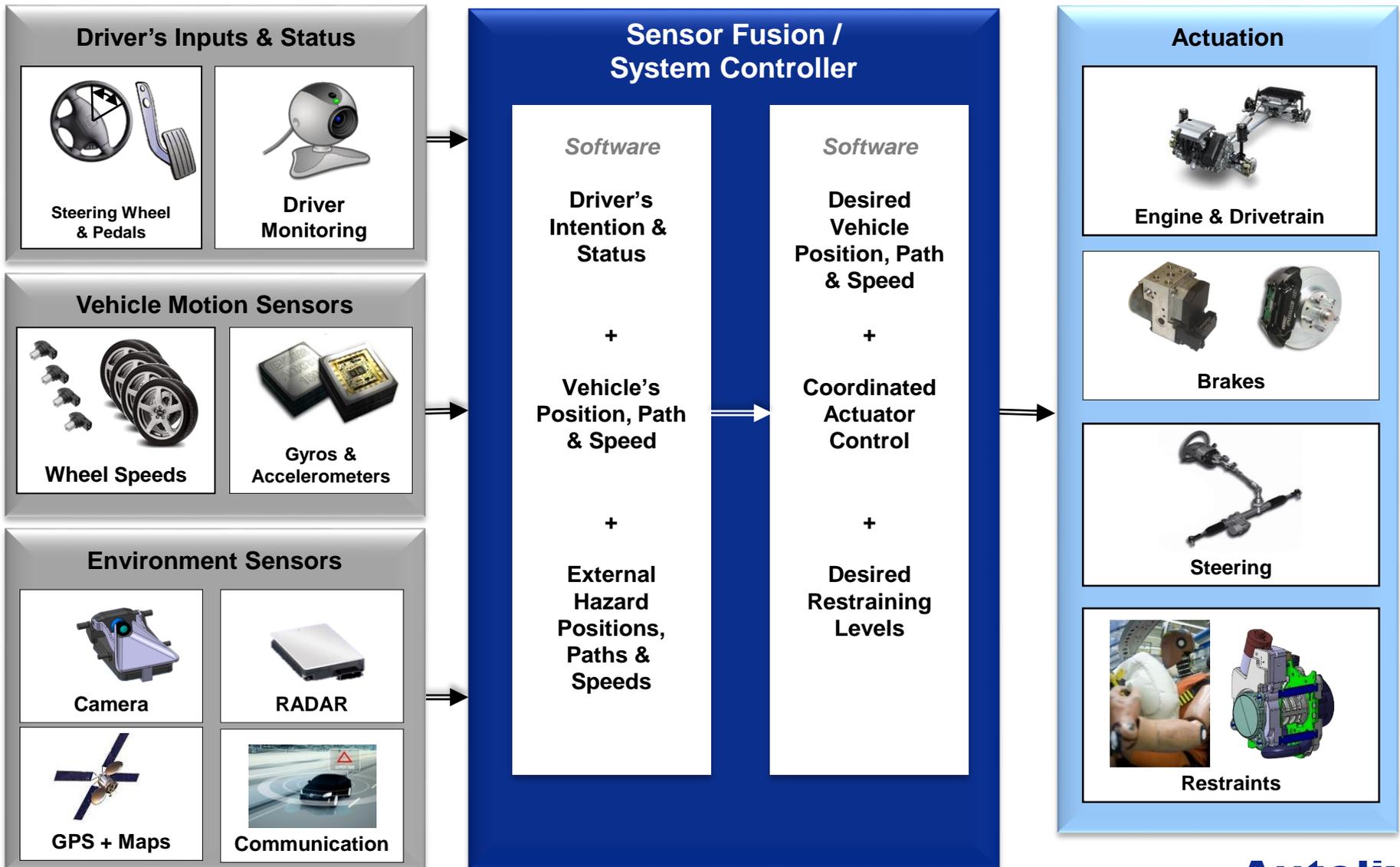
Night Vision with Fusion



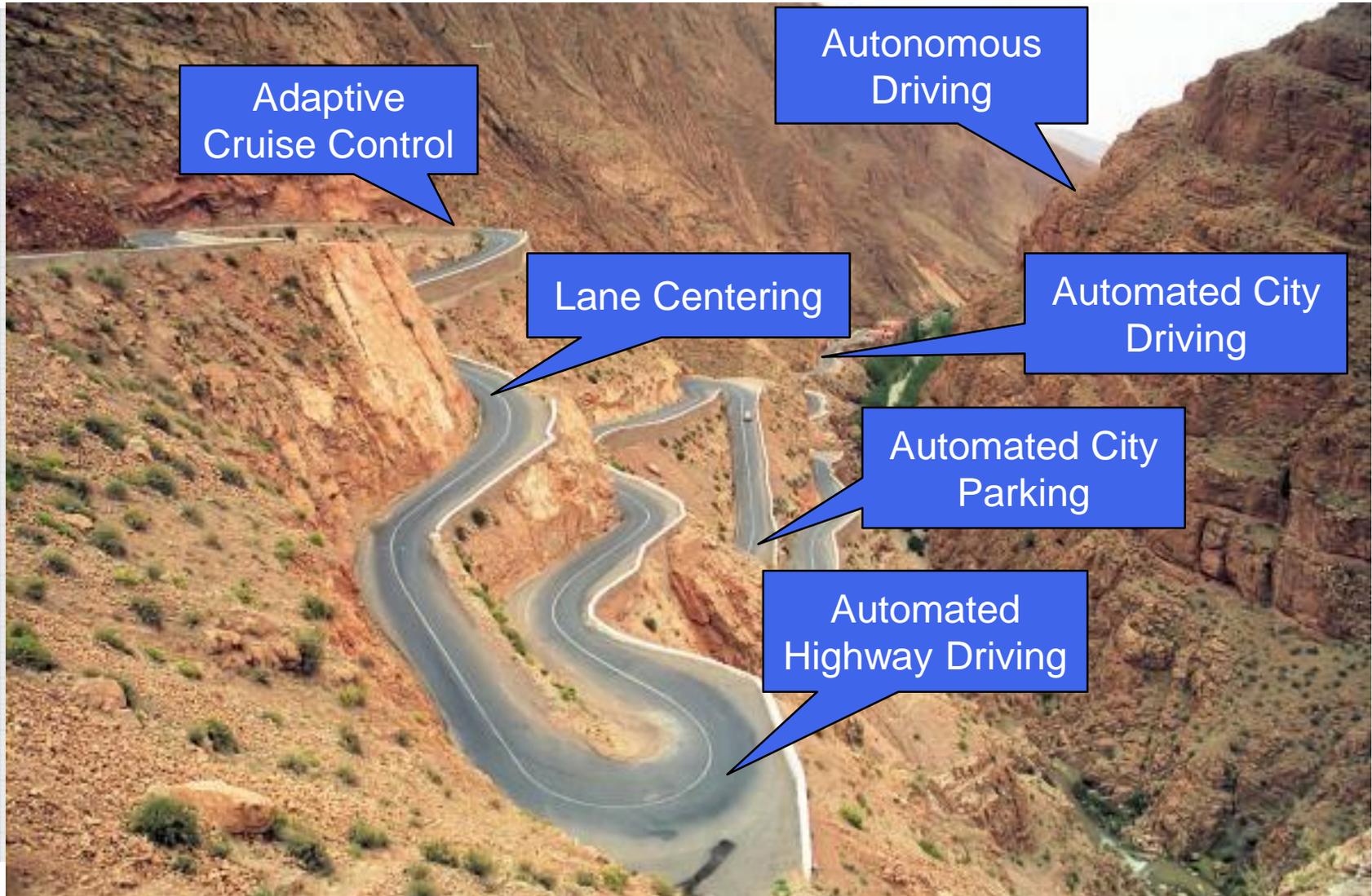
Night Vision with Animal Detection and Spotlight



System Components AEB / AD



The Road to Autonomous Driving



Adaptive
Cruise Control

Autonomous
Driving

Lane Centering

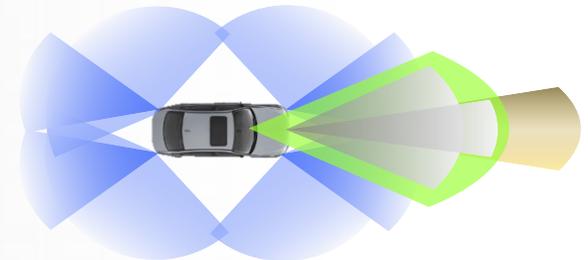
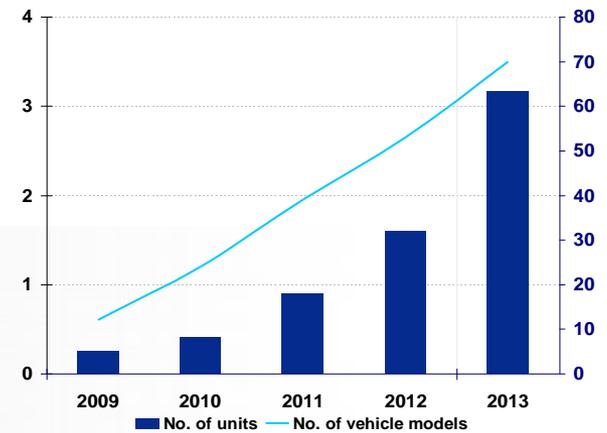
Automated City
Driving

Automated City
Parking

Automated
Highway Driving

Summary

- Rapid adoption of Active Safety continues
- Automated driving will improve safety, comfort, mobility, and efficiency
- Higher levels of automation and autonomy require more sensors, more controllers, more software, and greater communication bandwidth
- Ncap organizations to continue to drive Passive Safety adaption



Thank you!



Autoliv

Every year, Autoliv's products save over 30,000 lives