



Driven for Life.

2014 Annual General Meeting

Jan Carlson – CEO and President
May 6, 2014



Copyright Autoliv Inc., All Rights Reserved



- **Our vision**
To substantially reduce traffic accidents, fatalities and injuries
- **Our mission**
To create, manufacture and sell state-of-the-art automotive safety systems

Key Focus Areas



Savings lives and safety around the automobile



Lead thru innovation and technology



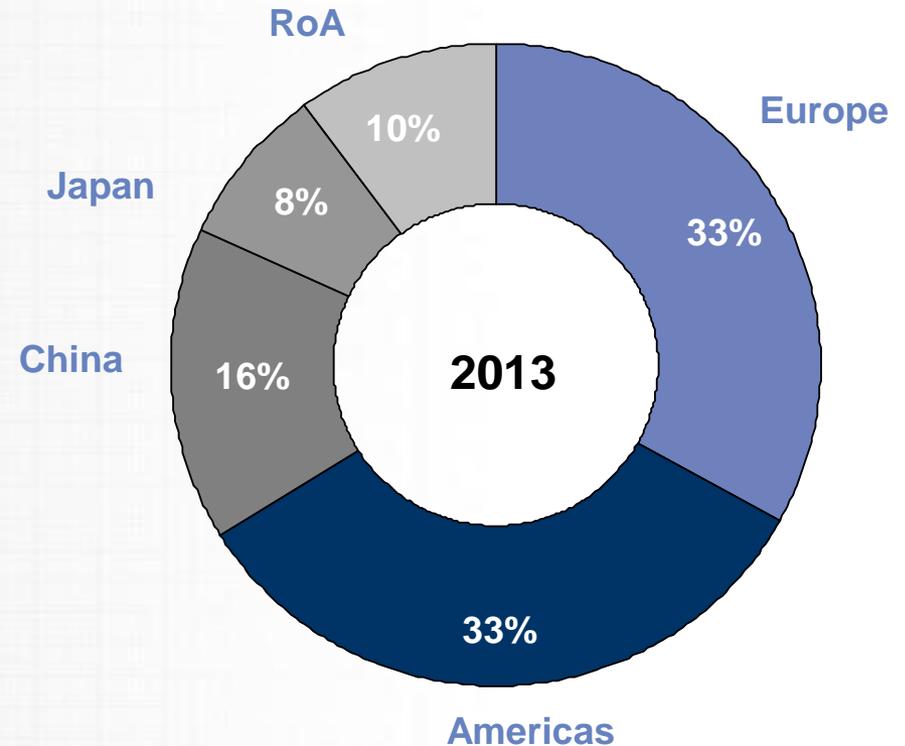
Leverage global footprint and talented-skilled people



Zero defects and customer focus

Autoliv in Brief

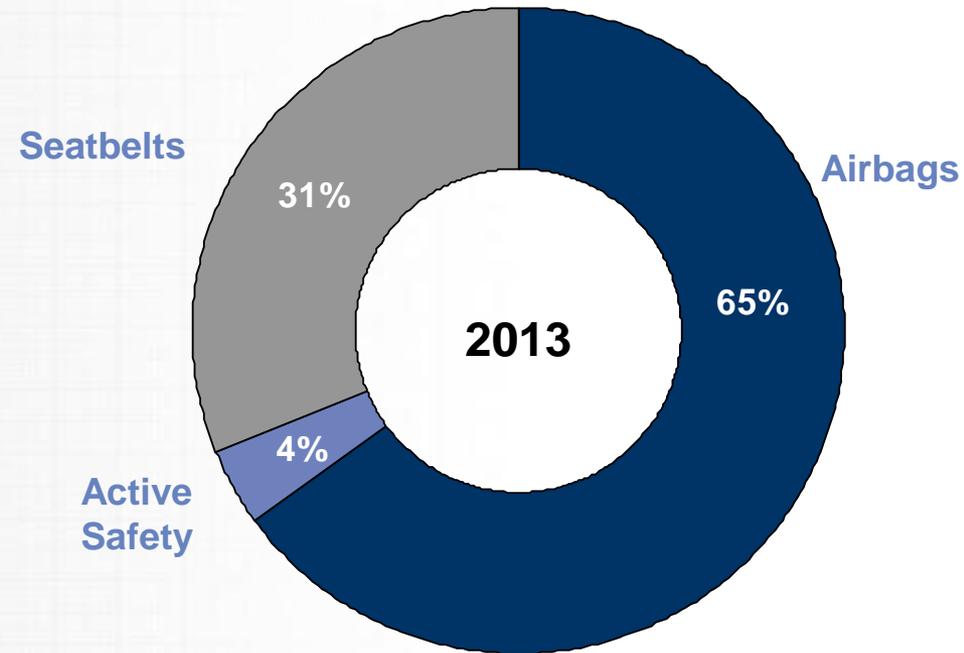
- Sales and technology leader
- Sales US\$8.8 billion
- Sales to all major vehicle manufacturers
- Fortune 500 company with an A- credit rating (S&P)
- ~ 80 facilities in 29 countries
- 18 technical centers and 20 crash test tracks
- ~ 56,000 associates of which ~ 5,000 in R,D&E



Well balanced geographic presence

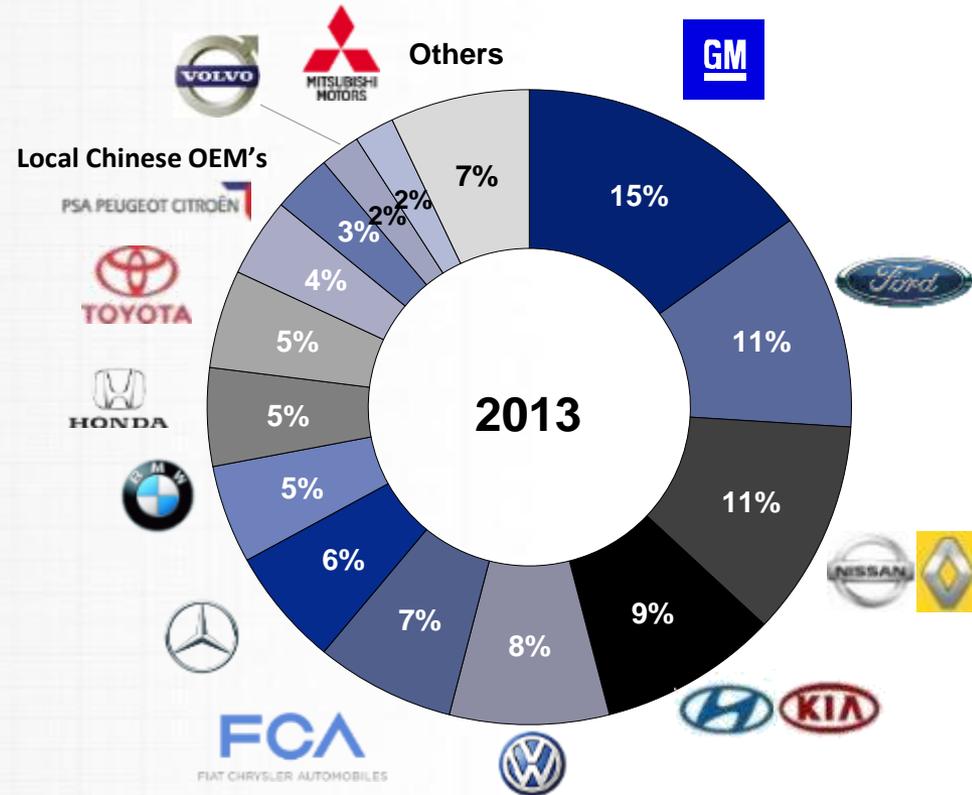
Autoliv in Brief

- Sales and technology leader
- Sales US\$8.8 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
- ~ 56,000 associates of which ~ 5,000 in R,D&E



Autoliv in Brief

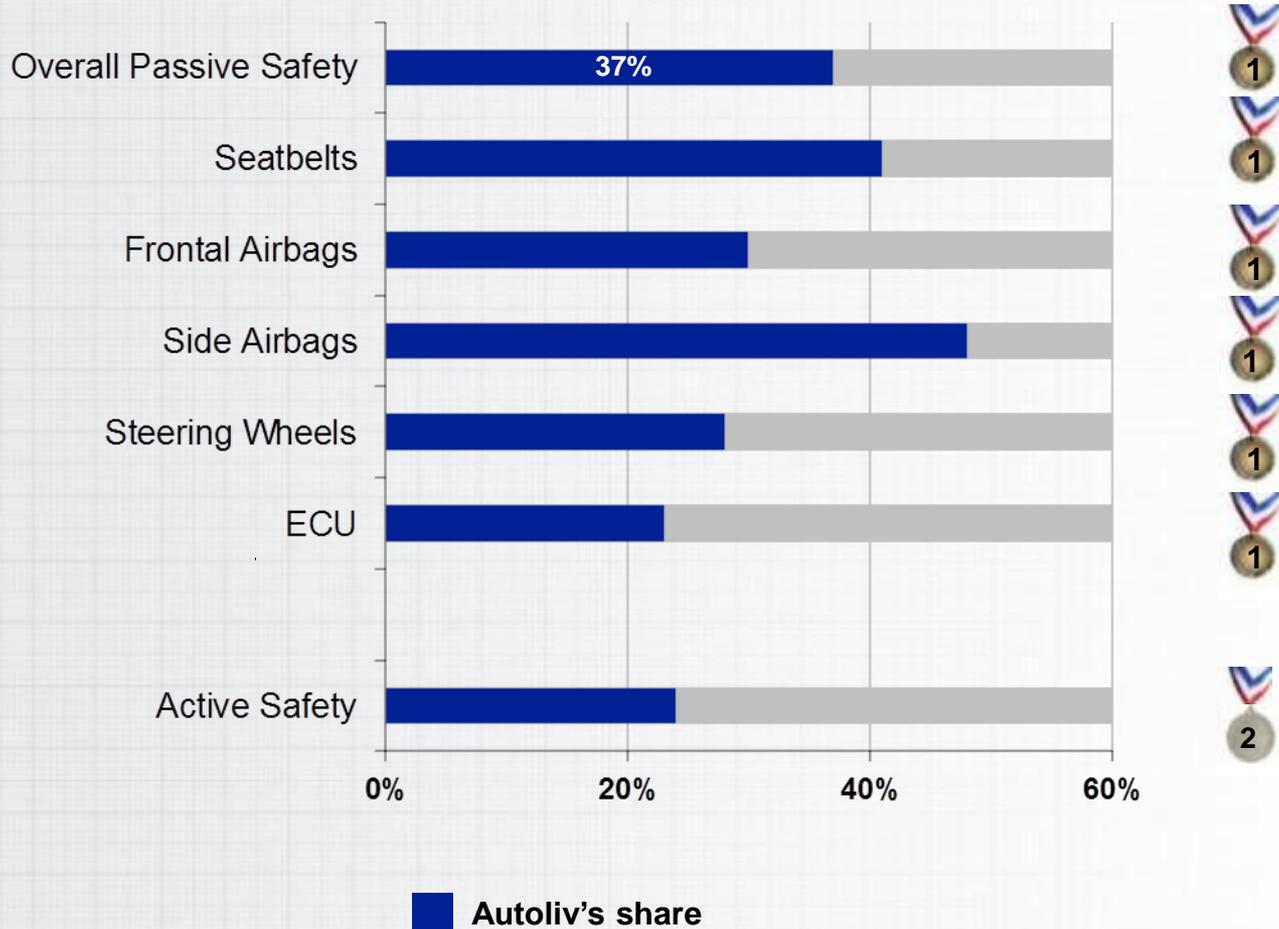
- Sales and technology leader
- Sales US\$8.8 billion
- Sales to all major vehicle manufacturers
- Fortune 500 company with an A- credit rating (S&P)
- ~ 80 facilities in 29 countries
- 18 technical centers and 20 crash test tracks
- ~ 56,000 associates of which ~ 5,000 in R,D&E



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

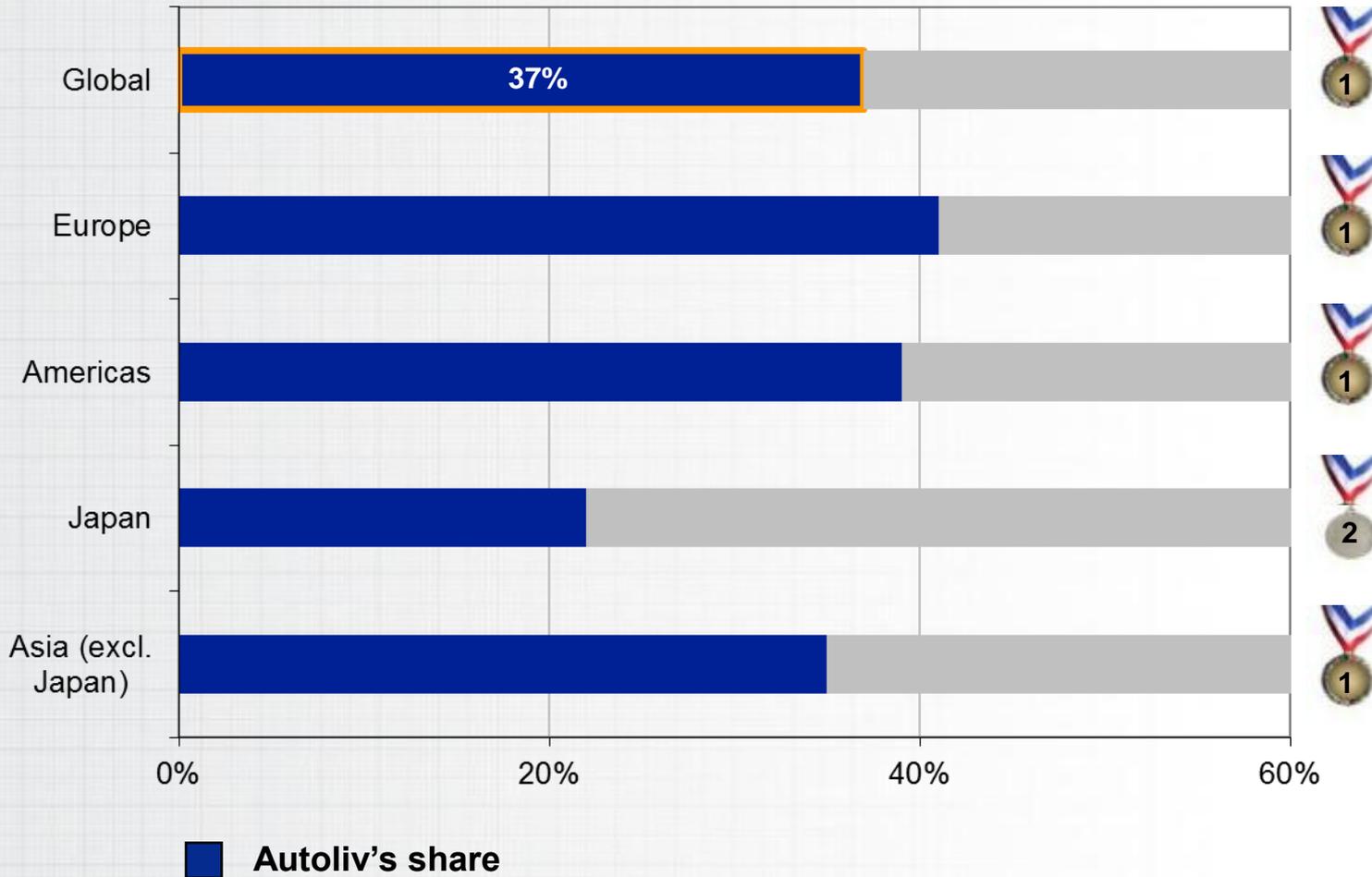
Market Shares 2013

- Global Safety Market Share by Product



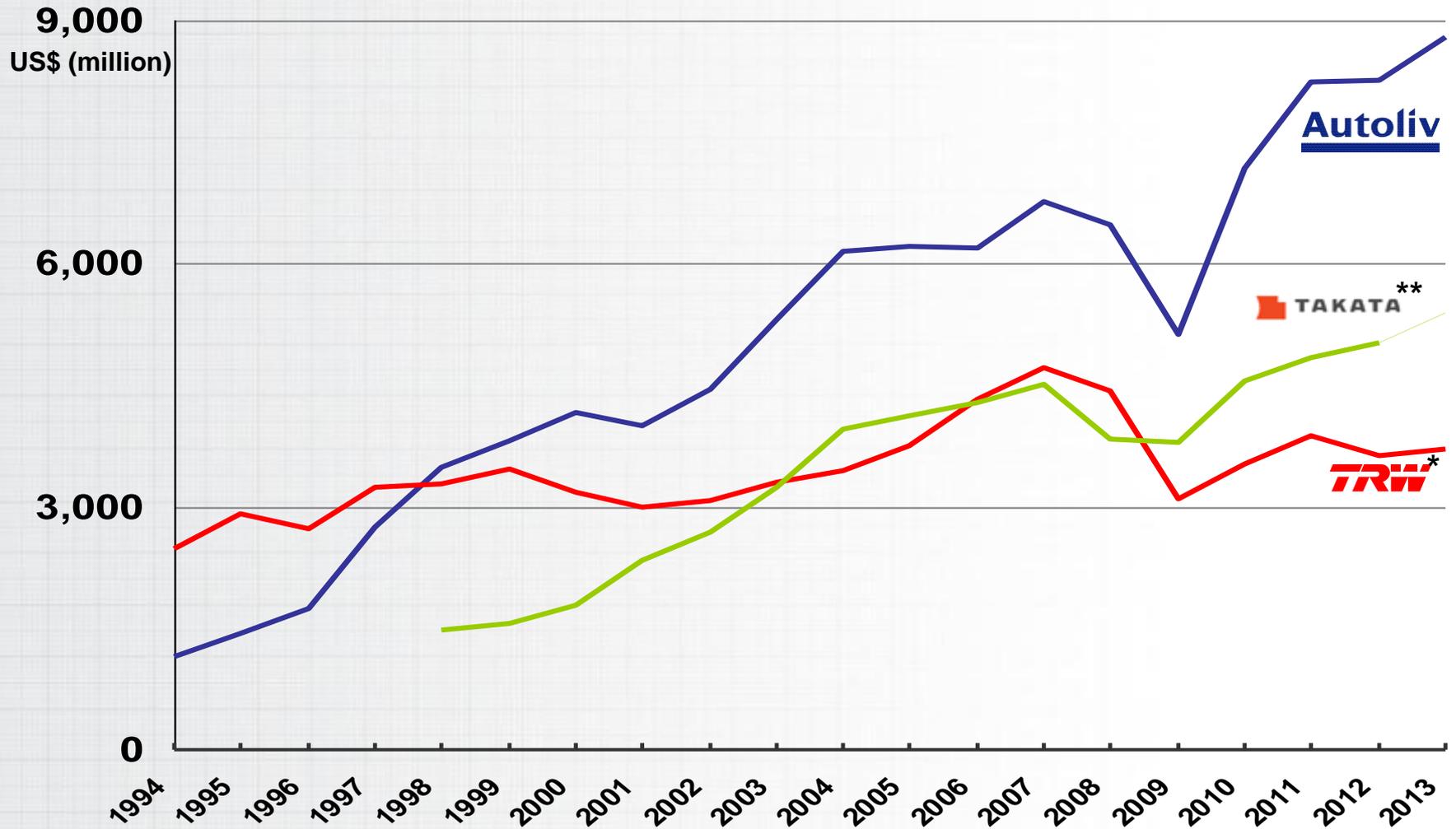
Market Shares 2013

- Passive Safety Market



Major Occupant Restraint Suppliers

- Net Sales Development



(*) TRW OSS, estimate \$300M in 2011, \$350M in 2012, \$400 in 2013 safety electronics and driver assist systems.

(**) DIR estimate. Takata Guidance for FY2014 period ending March 2014.

2013 in Summary

■ Growth

- 7% organic sales growth
- 57% organic sales growth in Active Safety
- 26% organic sales growth in China
- 37% market share in the global automotive safety market

■ Capital Structure

- \$838 million in operational cash flow
- \$379 million of CAPEX, supporting growth
- \$339 million in shareholder returns

FY13 Financial Overview

- Solid financial performance

(US\$ Mil's unless specified)	FY13	FY12
Sales	\$8,803	\$8,267
Gross Profit	\$1,705 19.4%	\$1,646 19.9%
EBIT *	\$808 9.2%	\$803 9.7%
EPS * (assuming dilution)	\$5.82	\$5.82
RoCE *	23%	24%
RoE *	14%	15%
Operating Cash flow*	\$838	\$689
DPS **	\$2.00	\$1.89
GLVP *** (annual run rate)	~ 82.6M	~ 79.7M

Record Sales

(*) Non US GAAP, Earnings Before Interest and Taxes, Earnings per share, Return on Capital Employed and Return on Equity excludes costs for capacity alignments, antitrust investigations and valuation allowance for deferred tax assets (**) Dividend per share paid (***) IHS Global Light Vehicle Production @ January 16, 2014.

Cash Flow

- Investments for growth in CapEx and shareholder returns

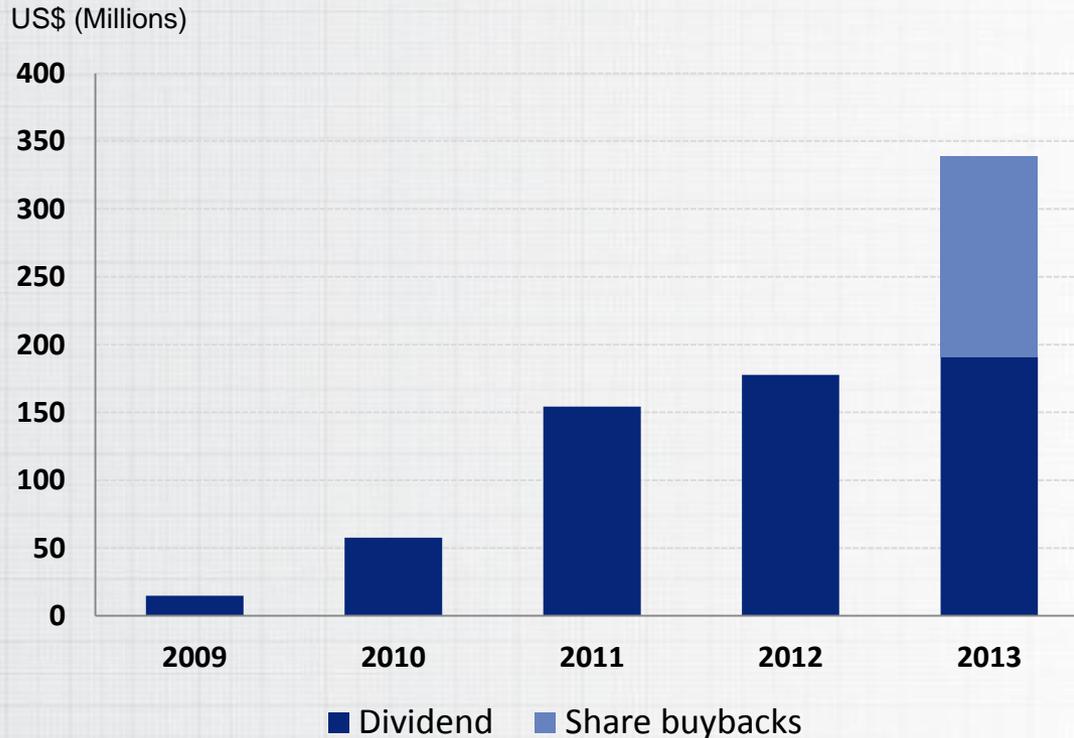
(US \$ Mil's unless specified)

	Q1 2014	Q1 2013	FY 2013	FY 2012	FY 2011	FY 2010
Net Income	131	125	490	486	627	596
Depreciation & Amortization	74	70	286	273	268	282
Other, net	(6)	14	43	10	38	57
Change in operating WC*	(14)	(68)	19	(80)	(175)	(11)
Operating cash flow	185	141	838	689	758	924
Capital Expenditures, net	(93)	(86)	(379)	(360)	(357)	(224)
Free cash flow**	92	55	459	329	401	700
Dividend payment	49	48	191	178	154	58
Share repurchase	94	0	148	0	0	0

Returned \$143M to our shareholders in Q1'14 through dividends and share repurchases

(*) Non US GAAP measure, (**) Before acquisitions, Non US GAAP measure, reconciliation to free cash flow is provided above.

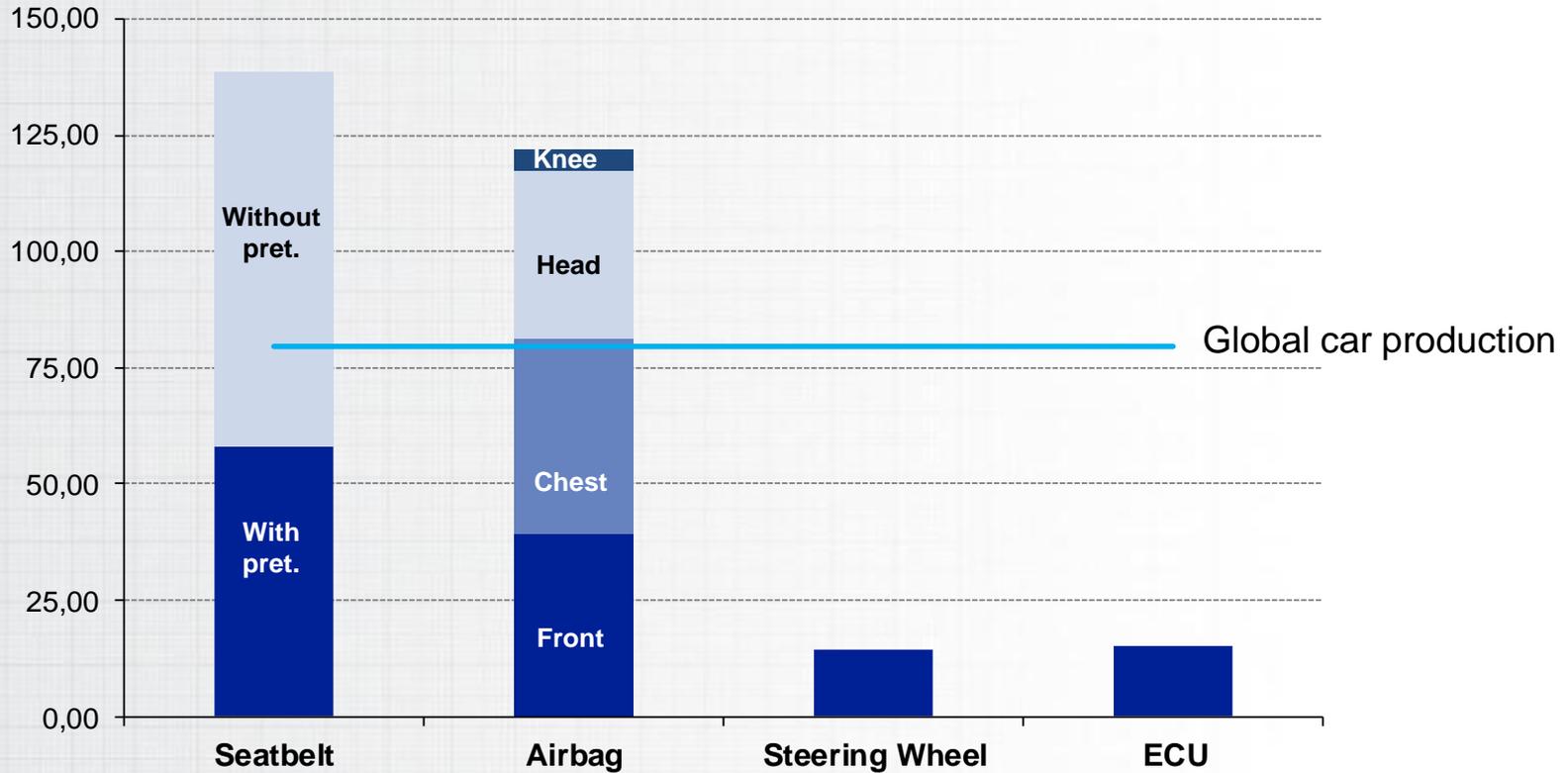
Shareholder Returns



- In 2013 Autoliv **returned** a total of \$339 million to **shareholders**: \$191 million through regular dividends and \$148 million through share repurchases.

Autoliv Production Volumes 2013

Million Units



Lead thru Innovation and Technology

with another strong year of new product introductions

INNOVATIONS 2013



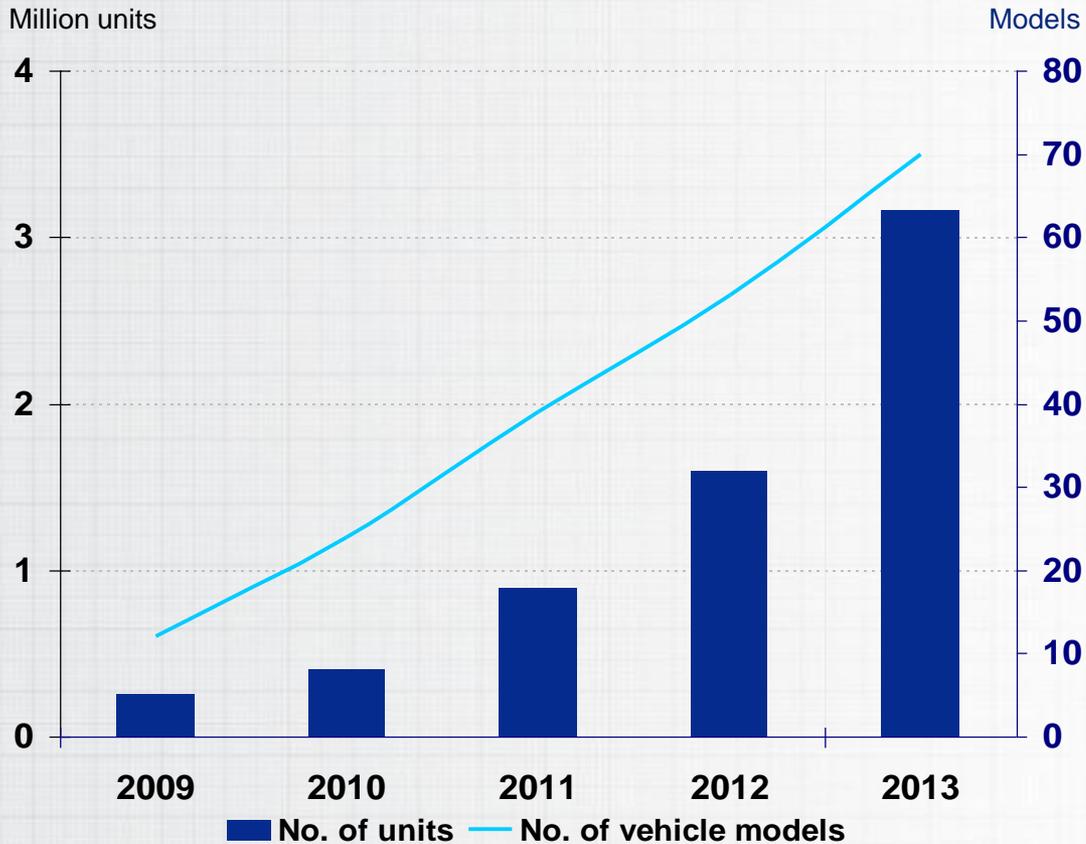
Autoliv in China



- Established in 1989
- 20 million Light Vehicles Produced in 2013
- 16% of Autoliv's total sales
- 37% Market Share in Airbags & Seatbelts
- 8,800 Associates
- 11 Facilities
- Major Customers: Chery, Geely, GM, Great Wall, Hyundai/Kia, Jianghuai Auto, Nissan, VW, Wuling
- During 2014, we will continue to invest for further growth as well as vertical integration.



Active Safety Adoption

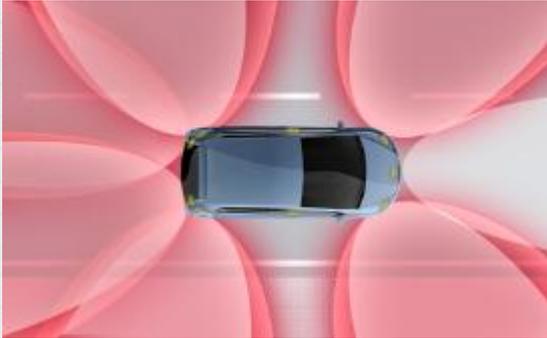


- The rapid **adoption of Active Safety** continued. In 2013, we shipped almost twice as many Active Safety units as in 2012. Organic sales grew by 57%, and we delivered Active Safety products to almost 70 different vehicle models.

Active Safety Sensors

Radar

- Detects vehicles and objects
- Measures distances
- Is not sensitive to light conditions



Vision

- Detects visible shapes, markings, objects
- "Reads" lane markings, light sources, traffic signs
- Classifies objects as vehicles and pedestrians



Infrared Sensing

- Does not need visible light
- Classifies pedestrians and animals



Active Safety Functions



Autonomous Emergency Braking

Function: alerts the driver, tightens the active seatbelt, puts the brakes in an alert mode and applies the brakes autonomously.

(radar or vision)

The diagram shows a blue car on a road with a white car ahead. A red triangle with a car icon and the word 'BRAKE' is positioned above the white car. A yellow triangle with a car icon and the word 'WARNING' is positioned above the blue car. Red lines radiate from the blue car towards the white car, representing sensor beams.



Traffic Sign Recognition

Function: a symbol is displayed in the instrument cluster or on the Head-up Display showing the current speed limit or other important road signs.

(vision)

The diagram shows a blue car on a road with a speed limit sign (50 km/h) ahead. A green beam of light from the car's sensors is directed at the sign.

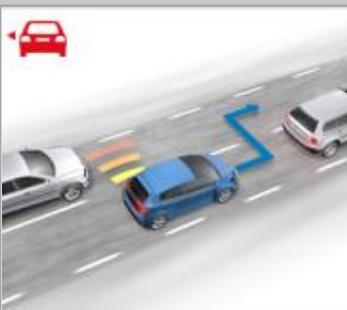


High/Low Beam Assist

Function: automatically switches between high and low beams.

(vision)

The diagram shows a blue car on a road with a white car ahead. The blue car's headlights are shown as green beams, indicating they are switched to low beam. A green 'Auto' icon is visible in the top left corner.

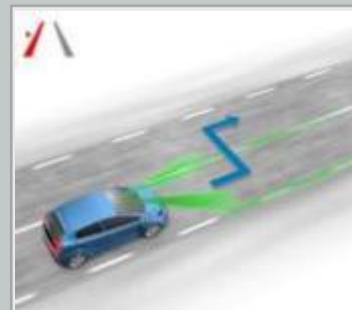


Blind Spot Detection

Function: alerts the driver by lighting a warning indicator on the appropriate side.

(radar)

The diagram shows a blue car on a road with a white car in its blind spot. Blue lines radiate from the blue car towards the white car, representing sensor beams. A red car icon is in the top left corner.



Road/Lane Departure Assist

Function: alerts the driver with acoustical or haptic warnings and/or a symbol on the head-up display.

(vision)

The diagram shows a blue car on a road with a white car ahead. Blue lines radiate from the blue car towards the white car, representing sensor beams. A red car icon is in the top left corner.



Queue Assist

Function: maintains a set speed/distance to a vehicle ahead down to a standstill.

(radar or vision)

The diagram shows a blue car on a road with a white car ahead. A green 'STOP & GO' icon is in the top left corner. Yellow lines radiate from the blue car towards the white car, representing sensor beams.



Pedestrian Detection/Warning

Function: warns the driver or even autonomously brakes the vehicle.

(vision)

The diagram shows a blue car on a road with a pedestrian crossing. A green beam of light from the car's sensors is directed at the pedestrian. A red pedestrian icon is in the top left corner.



Adaptive Cruise Control

Function: maintains a set speed/distance to a vehicle ahead.

(radar)

The diagram shows a blue car on a road with a white car ahead. A green beam of light from the car's sensors is directed at the white car. A green car icon is in the top left corner.



Cross-Traffic Assist

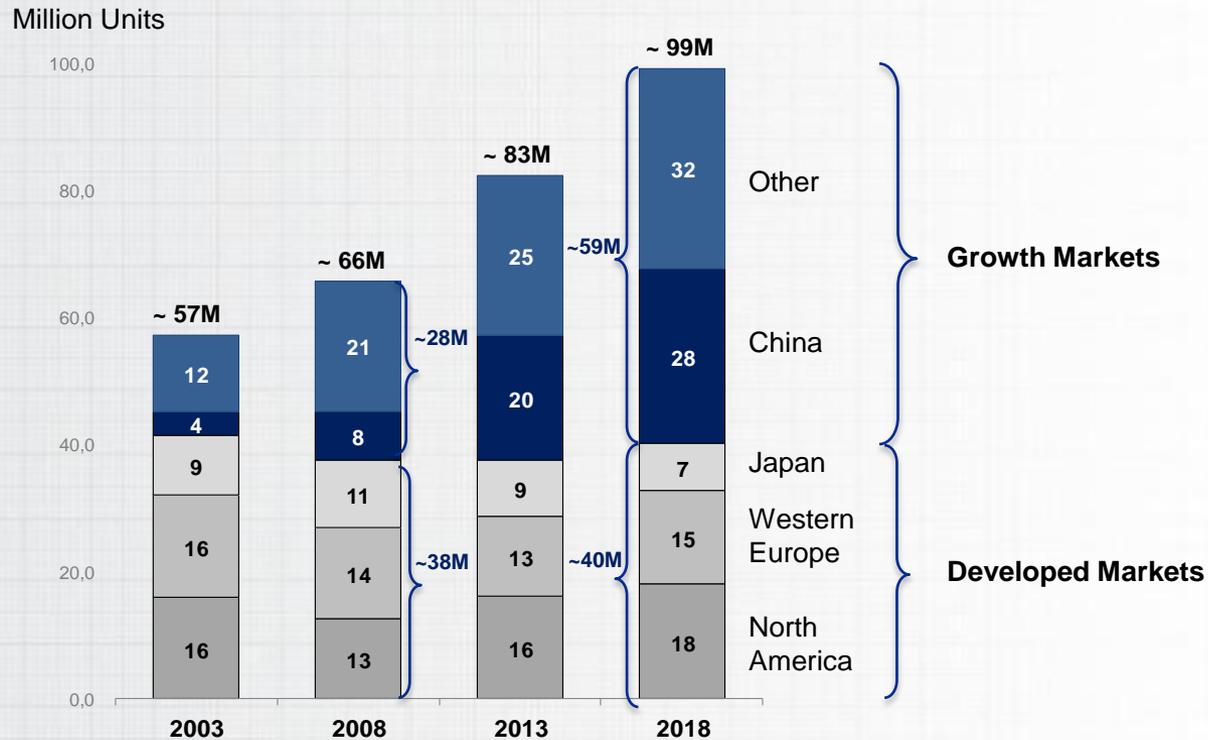
Function: acoustic alert.

(radar)

The diagram shows a blue car on a road with a white car in a cross-traffic lane. Yellow lines radiate from the blue car towards the white car, representing sensor beams. A red car icon is in the top left corner.

Light Vehicle Production Outlook

- 2003 thru 2018

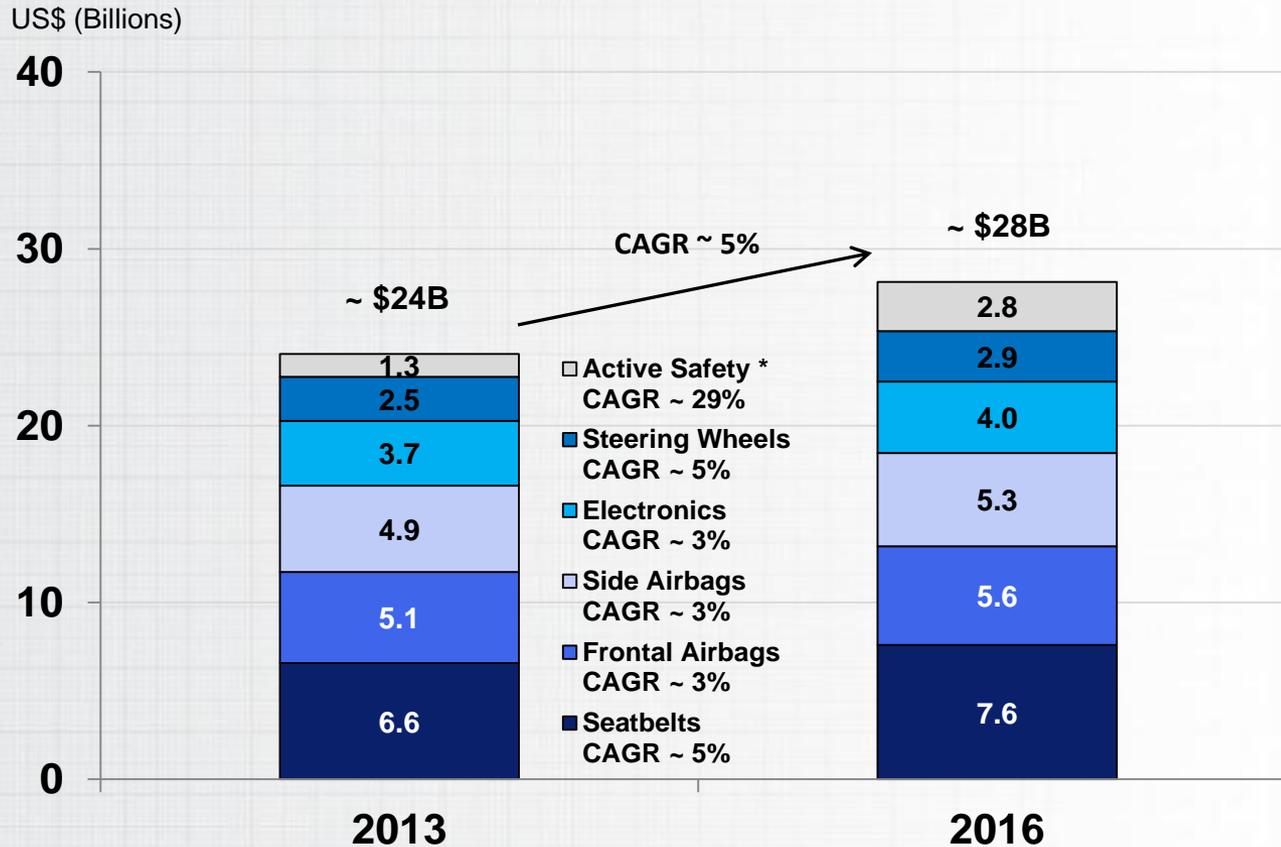


Expect the LVP increase from 2013-18 to be ~32% in the Growth Markets and ~7% in the TRIAD *

Source: IHS @ January 16, 2014

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

The Road to Saving More Lives

Passive safety products, such as airbags and seatbelts, are there to help protect you from injury if a crash is unavoidable. More than a million human beings owe their life to them.

PROTECTION

The major advancement from Active Safety products is to reduce the crash severity and avoid the crash altogether by warning the driver or automatically braking the car.

PREVENTION

Allowing the car to act automatically is crucial when moving towards our vision of saving 150,000 lives per year.

AUTOMATION

AUTONOMOUS DRIVING

In the future, self driving cars will ultimately provide the third level of automotive safety, significantly reducing the element of human error.

Q1 Financial Overview

- Solid financial performance

(US\$ Mil's unless specified)	2014	2013
Sales	\$2,296	\$2,135
Gross Profit	\$445 19.4%	\$414 19.4%
Operating Income*	\$198 8.6%	\$187 8.8%
EPS* (assuming dilution)	\$1.43	\$1.32
RoCE*	23%	22%
RoE*	13%	14%
Operating Cash flow	\$185	\$141
Dividend**	\$0.52	\$0.50
GLVP*** (annual run rate)	~ 86.7M	~ 82.3M

📌 Record sales and operating cash flow for a 1st Quarter

(*) Non US GAAP, Earnings per share, Return on Capital Employed and Return on Equity excludes costs for capacity alignments and antitrust investigations

(**) Dividend per share paid (***) IHS Global Light Vehicle Production @ April 16, 2014.

An Industry with a heightened focus on Quality

- Our Zero-Defect Policy

Design robust products

Buy flawless components

Manufacture flawless products

Verify conformity of products



Product Development

Supply Base

Production System

Mistake Proofing

Quality focus in all dimensions of our business

Financial Outlook

	Q2 2014	FY2014
<u>Sales</u>		
Organic*	~ 5%	> 5%
Acquisitions / (Divestitures)	-	-
Fx**	~ 1%	~ 1%
Consolidated Sales	~ 6%	> 6%
Operating Margin*	~ 9%	~ 9%

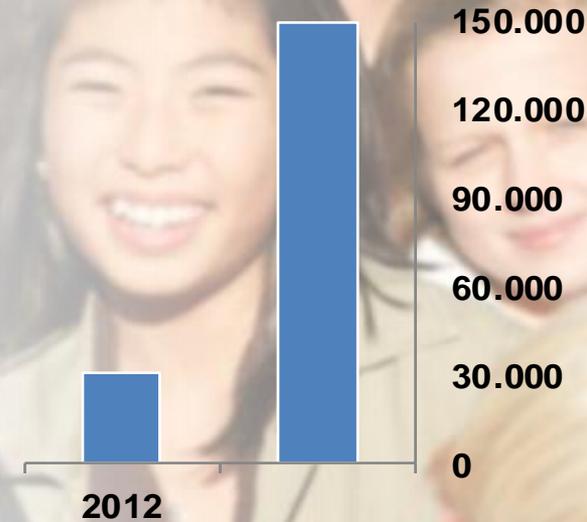
🟡 Expect another year of solid financial performance in 2014

(*) Non US GAAP measure, excludes costs for capacity alignments and antitrust investigations, (**) 1 Euro = 1.38 US\$, 1 US\$ = 98 JPY for Q2'14 & FY2014

Autoliv in Summary

- **Solid performance in 2013**
- **2014 will be a transition year to address our margin challenges**
- **Executing on our key strategies towards long-term targets**
- **Positioning our company to capitalize on the long-term industry trends**

We envision 150,000 lives saved by our products annually





Autoliv - Safety Systems

**Active
Safety**

**Passive
Safety**

Autoliv

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