



Driven for Life.

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Brad Murray – President Autoliv Japan

Tetsumi Kato – Director Finance Japan

Ray Pekar – VP IR Americas, M&A



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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

Our Vision and Mission



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

🚗 We are “Driven for Life”

We Care



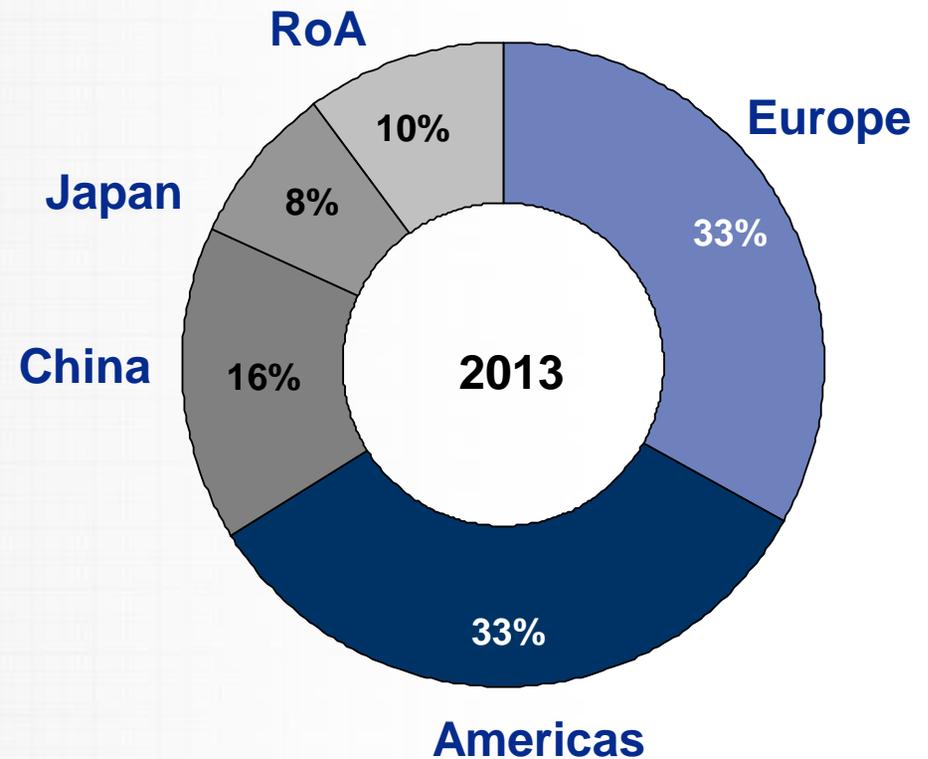
Our Values

- **Life** - we have a passion for saving lives.
- **Customers** - we are dedicated to providing satisfaction for our customers and value for the driving public.
- **Employees** - we are committed to the development of our employees' skills, knowledge and creative potential.
- **Innovation** - we are driven for innovation and continuous improvement.
- **Ethics** - we adhere to the highest level of ethical and social behavior.
- **Culture** - we are founded on global thinking and local actions.

🌱 We envision our products will save 150,000 lives annually in the future

Autoliv in Brief

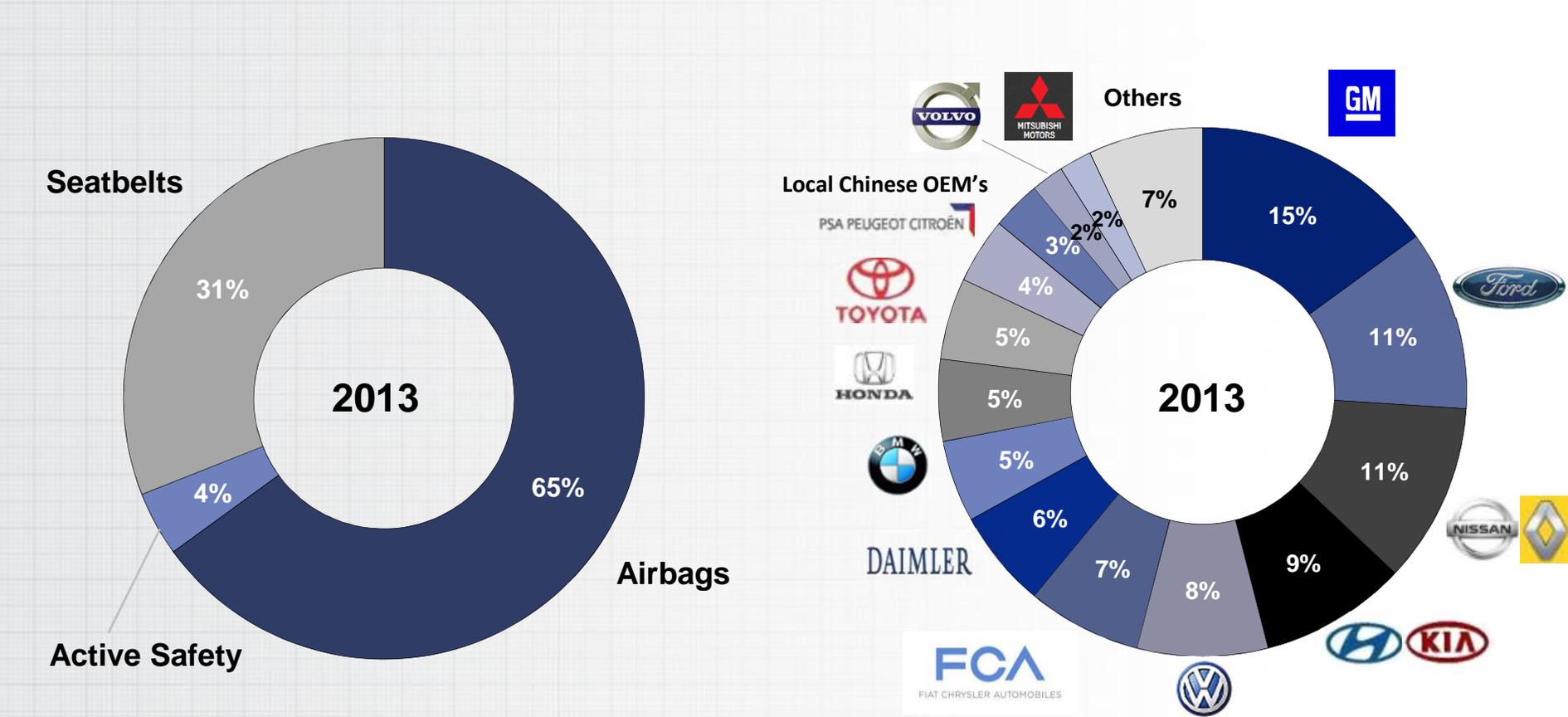
- Sales and technology leader
- Sales US ~ \$8.8 billion
- Sales to all major vehicle manufacturers
- Fortune 500 company with an A- credit rating (S&P)
- ~ 80 facilities in 29 countries
- 18 technical centers and 20 crash test tracks
- ~ 56,500 associates of which ~ 5,000 in R,D&E



Well balanced geographic presence

Autoliv in Brief

- Sales by product and customer



🟡 Attractive Passive and Active Safety portfolio along with a diversified customer base

FY 2013 Recap

- Organic sales offset by currencies and margin challenges

■ Growth

- Record sales on organic* sales growth of 7% mostly driven by China ~26% and Active Safety ~ 57%
- Solid financial performance and cash flow generation

■ Capital structure

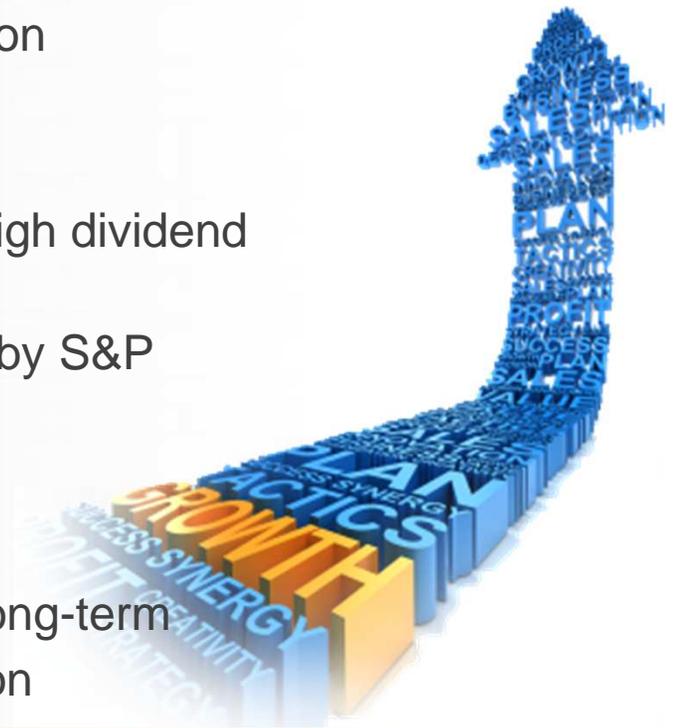
- Share repurchase re-initiated, announced record high dividend for Q1'14 and returned ~ \$340M to shareholders
- Long-term credit rating upgraded to A- from BBB+ by S&P

■ Transformation

- Addressing margin challenges
- Aligning capacity footprint with the market for the long-term
- Expansion in growth markets and vertical integration

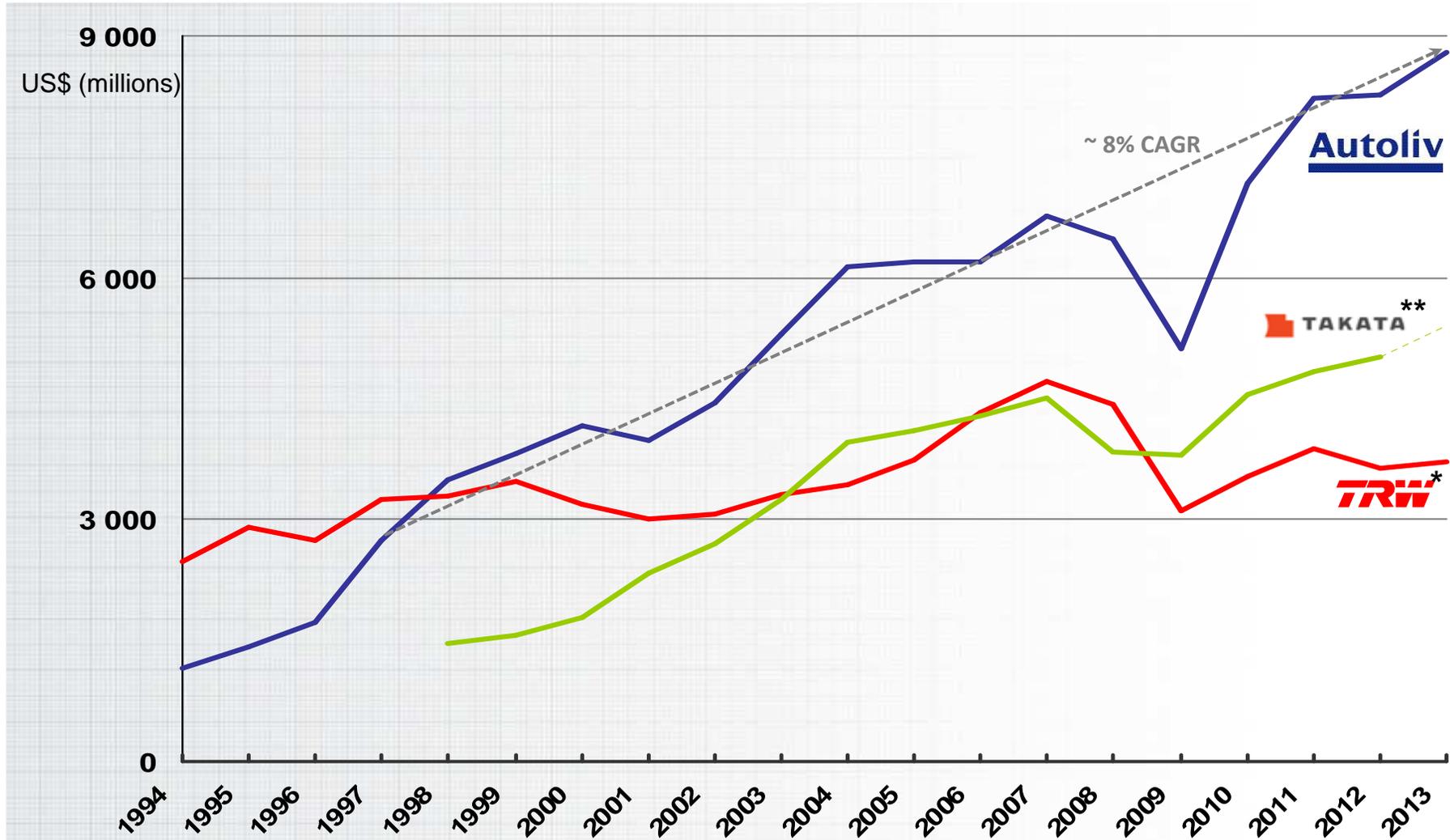
🎯 Target Active Safety to reach our long-term margin range of 8-9% within 2 to 3 years

(*) Non US GAAP measure



Major Occupant Restraint Suppliers

- Net Sales Development

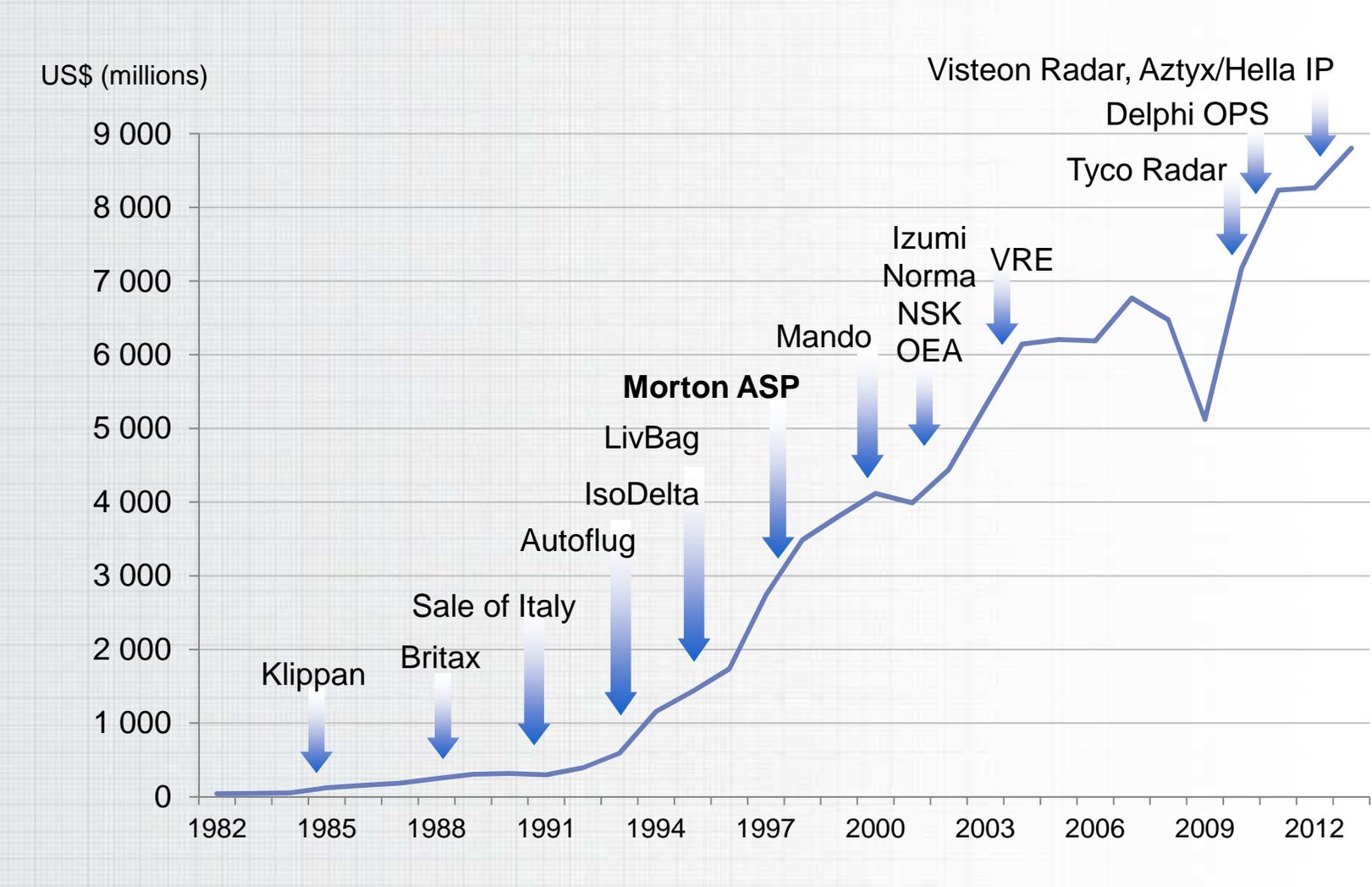


(*) TRW OSS, estimate \$300M in 2011, \$350M in 2012, \$400 in 2013 safety electronics and driver assist systems.

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

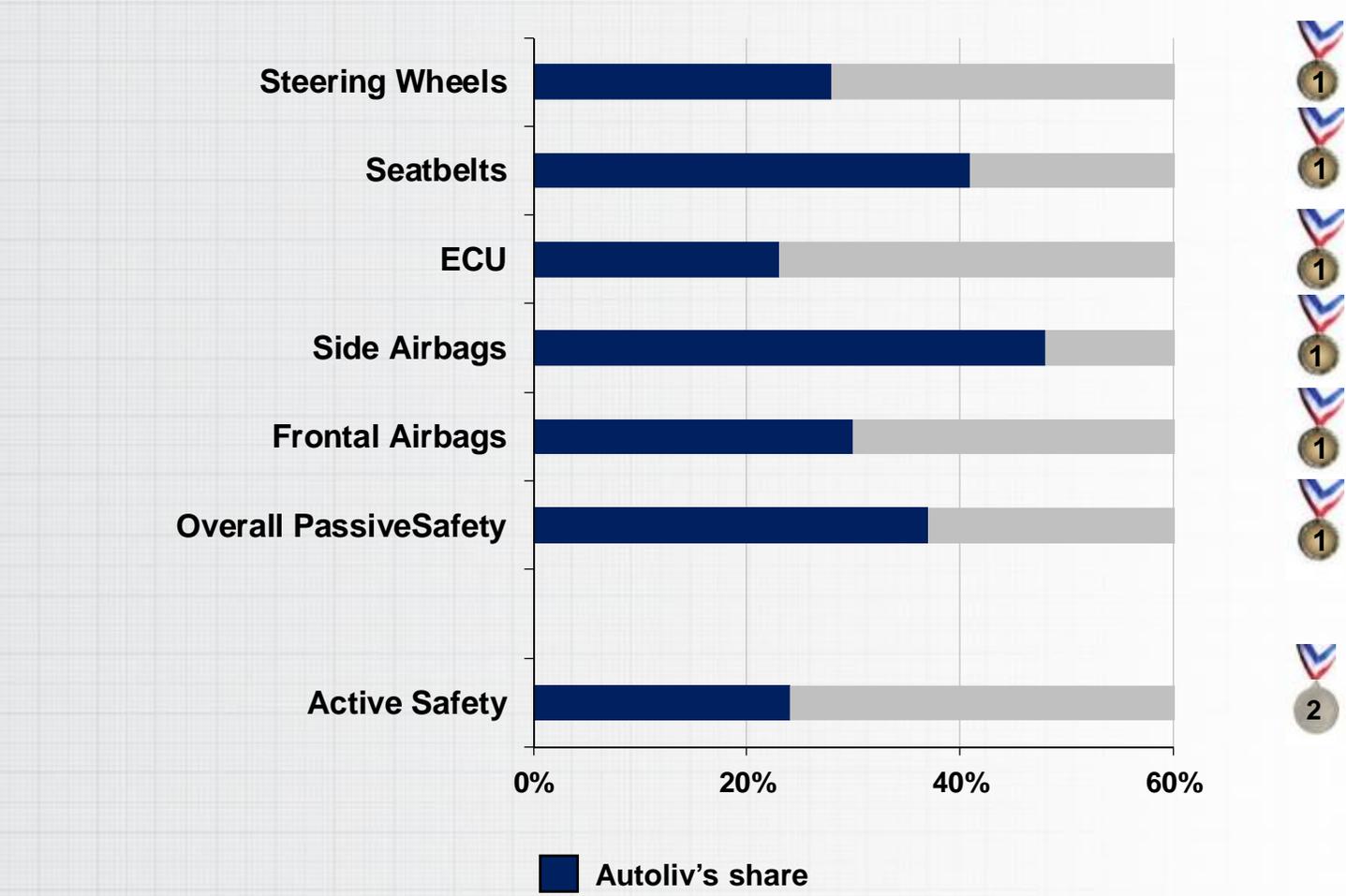
Strong Acquisition Track Record

supports organic growth strategy



Global Safety Market Share by Product

- 2013



Autoliv market shares are estimated to be ~37% in Passive Safety and >20% in Active Safety

Long-Term Targets *

to create long-term shareholder value

- **Organic sales growth at least in line with our market**
 - and faster than our market including acquisitions
- **Operating margin range 8-9% over the business cycles**
 - US GAAP excluding costs related to the antitrust investigations
- **EPS growth faster than organic sales growth**
 - excluding the effects of currency
- **Net Debt**/EBITDA around one time (Debt Limitation Policy)**
 - and within the range of 0.5 and 1.5 times

🟡 Our underlying Debt Policy is to maintain a “strong investment grade” credit rating

(*) US GAAP excluding costs related to the antitrust investigations, (**) including Pension Liability

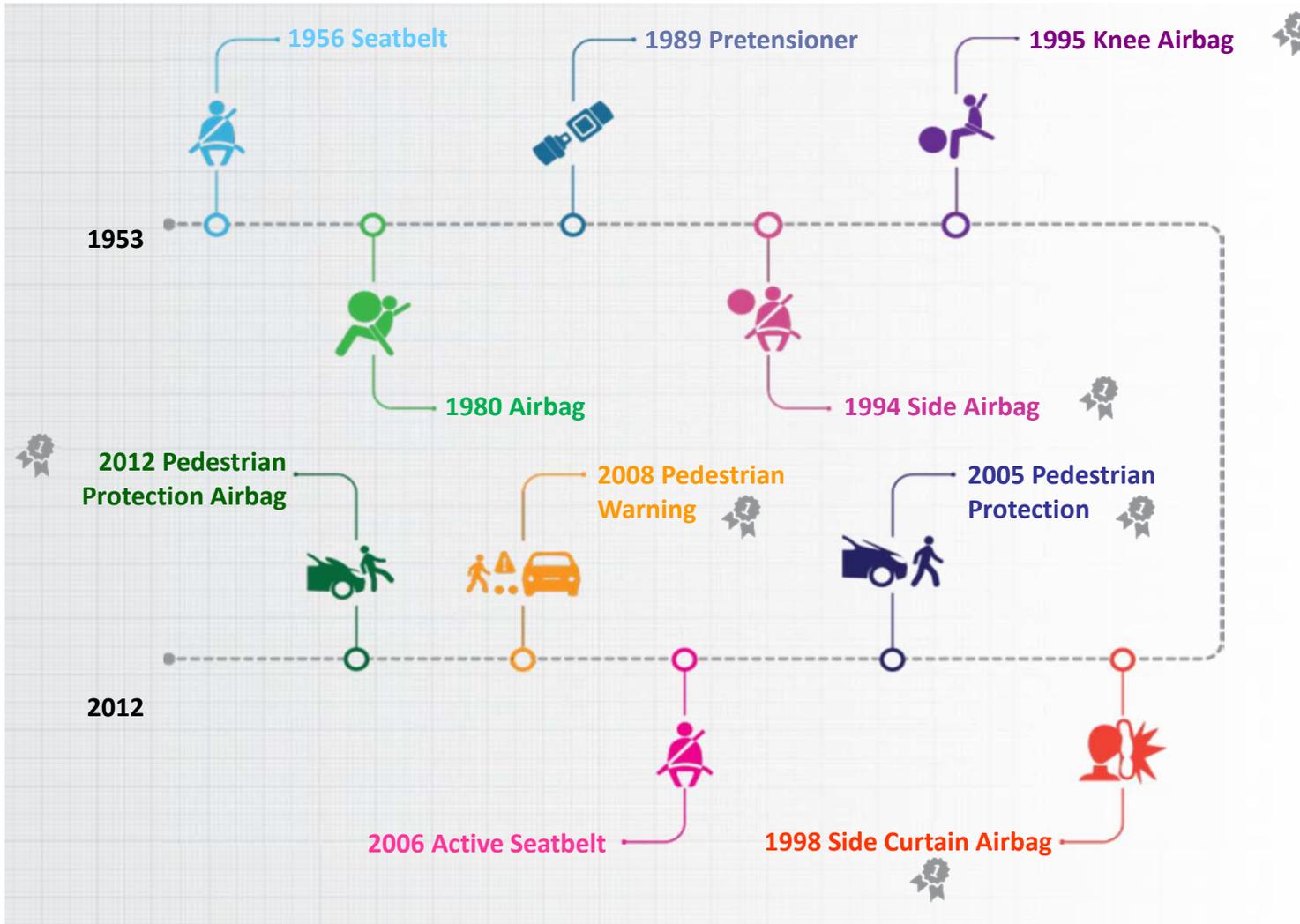


Our Key Strategies

- **Focus on savings lives and safety around the automobile**
- **Lead thru innovation and technology**
- **Leverage global footprint and talented-skilled people**
- **Zero defects and customer focus**

🚗 **“One Stop Shop” for automotive safety system solutions**

Leading thru Innovation with many industry first's



First in the world

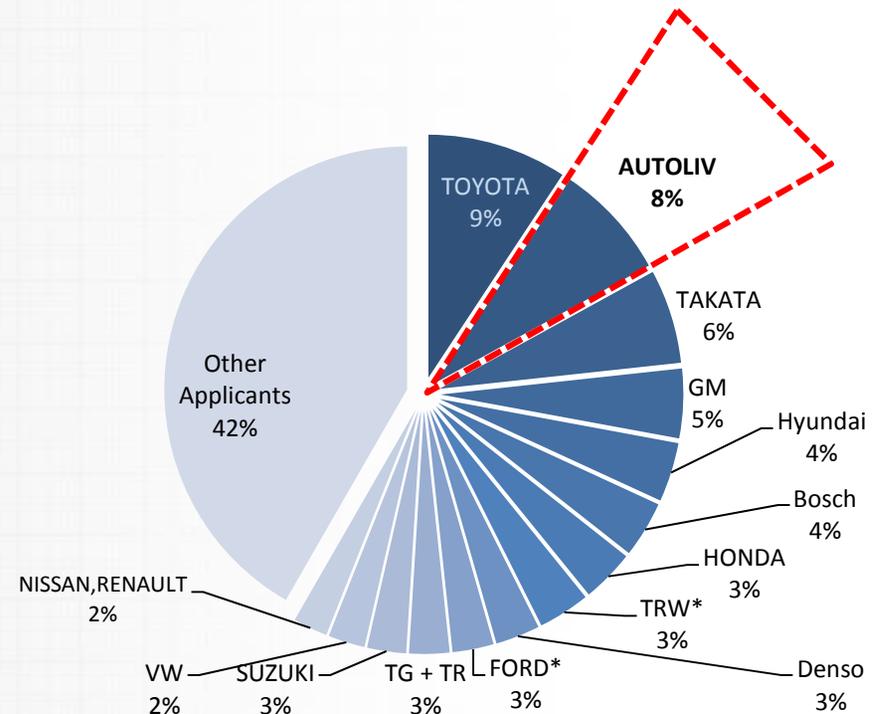
Technology Leadership

thru early lead-to-market and intellectual property

Customer World's Firsts where Autoliv has contributed;

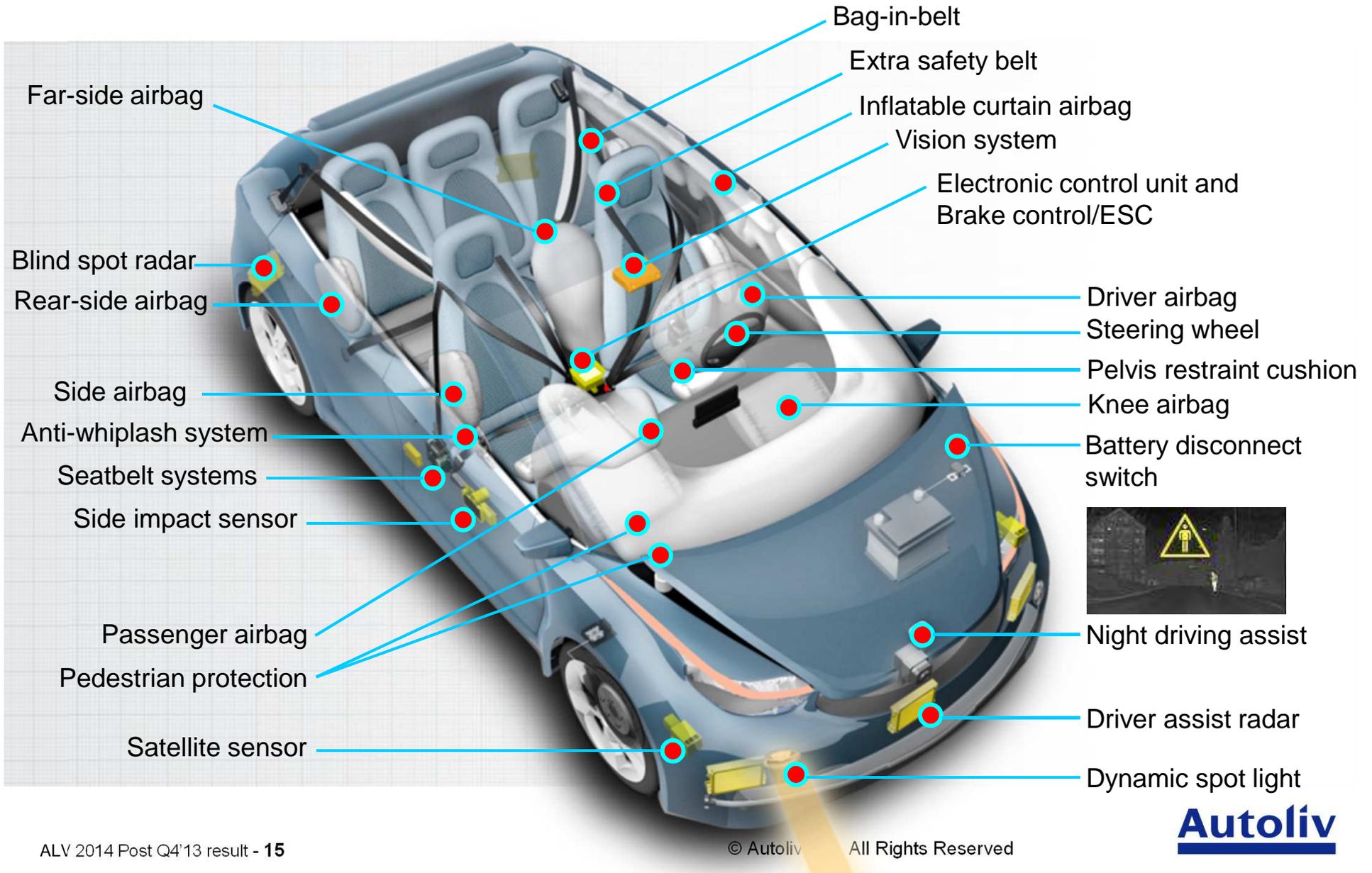
- **Volvo** - Side airbags (1994)
- **Kia** - Knee airbags(1995)
- **BMW** - Side airbags for head protection (1997)
- **Volvo and Mercedes** - Side curtain airbags (1998)
- **Ford** - Integrated gyro-rollover sensor into the airbag ECU (2002)
- **Renault** - First company to receive "Five Stars" in the EuroNCAP (2002)
- **BMW** - Seatbelts with adaptive load limiters (2002)
- **Jaguar** - Pedestrian protection pop-up hood (2005)
- **Chrysler** - Safety-Vent passenger airbag (2006)
- **Renault** - Adaptive Multi-Volume cushion airbag (2007)
- **Ford** - Integrated inertia motion control ECU into the airbag ECU (2008)
- **BMW** - Pedestrian warning for night driving (2009)
- **Volvo** - External pedestrian protection airbag (2012)
- **Mercedes** – Sensor Fusion NIR/FIR for night driving assist (2013)

Passive safety patent filings in more than one country 2011



Expect RD&E net to remain in the range of 5.5 to 6% for the near-term

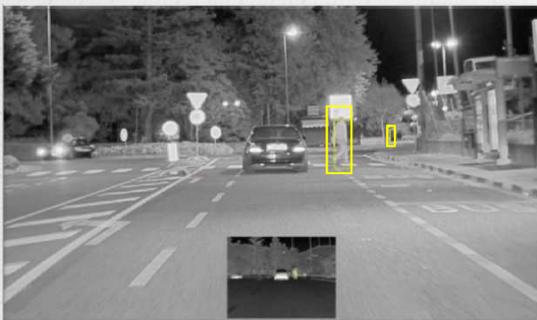
Our Product Portfolio



Leading thru Innovation

with another strong year of new product introductions

INNOVATIONS 2013



Improving automotive safety for both vehicle occupants and vulnerable road users

Market Drivers

- Rating programs evolution

EuroNCAP

■ 2014

- Active Safety weighting increases from 10% to 20%
- Active Safety required to achieve 5 Star

■ 2015

- Revision of passive safety side impact test

■ 2017

- Active Safety required to achieve 4 Star

Other NCAP programs

- Active safety inclusion in “NCAP’s: US, Japan, Korea and Australia starting 2014
- ChinaNCAP upgrade in 2015, benchmarks EuroNCAP
- LatinNCAP and ASEAN NCAP under implementation
 - Frontal airbags mandatory from 2014 in Brazil



● Active Safety technologies are under evaluation by NHTSA for the new US NCAP

Rating and Regulations

- US NCAP migration to Active Safety and Adaptive

■ IIHS Ratings:

- **New IIHS Small Overlap test** – Integrated into Top Safety Pick “Plus” for 2013.
- **FCW and/or AEB** – “Availability” of FCW required for Top Safety Pick “Plus” for 2014.

■ NHTSA - USNCAP:

- **Back-over Safety** – ESC recognition replaced by rearview video systems to prevent back-over
- **Active Safety Areas Under Consideration**
 - ✓ Crash Avoidance and Post-Crash Technology Areas Under Consideration
 - ✓ Features: Blind Spot Detection, Advanced Lighting, Lane Departure Prevention, Crash Imminent Braking, Dynamic Brake Support, Automatic Pedestrian Detection and Braking (Frontal & Rear)
- **Passive Safety Areas Under Consideration**
 - ✓ Improved Rating of Rear Seat Safety
 - ✓ Rating of Safety for Older Occupants
 - ✓ Rating of Pedestrian Protection
 - ✓ Improved Test Dummies and Injury Criteria
 - ✓ New Test Protocols for Electric Vehicles
 - ✓ Alcohol Sensing

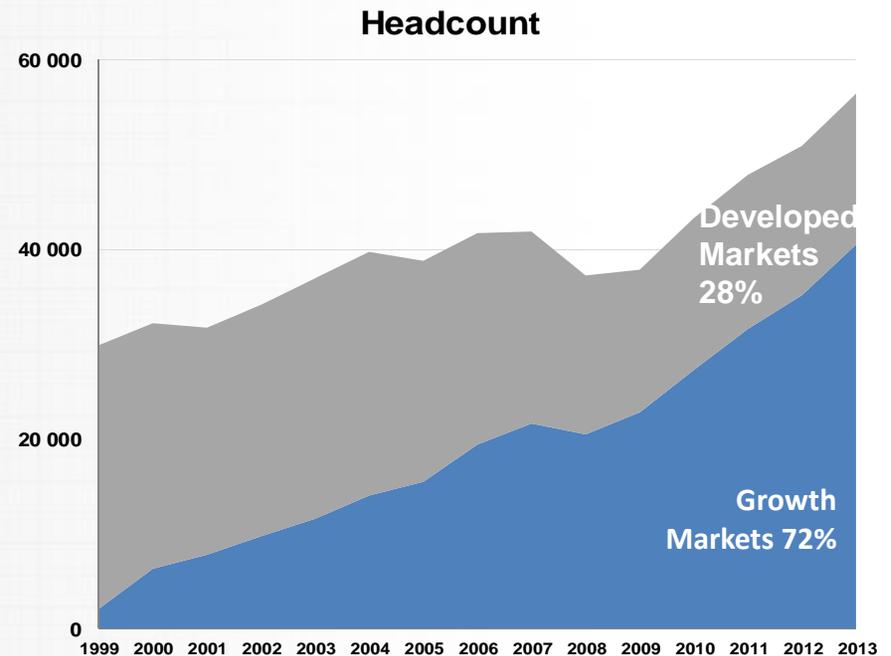


● NHTSA estimates the US “annual cost to society of traffic accidents” is several hundred billion \$’s

Superior Global Presence

resulting from Long-term expansion in the growth markets

Manufacturing Facilities	Seatbelts	Airbags	Steering Wheels	Electronics	Active Safety
North America	●	●	●	●	●
South America	●	●	●		
Europe	●	●	●	●	●
Japan	●	●	●		
China	●	●	●	●	
Korea	●	●			
India	●	●	●		
Asia other	●	●	●		



🔄 Aligning our capacity footprint to the future market environment

Our Focus to Save 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.

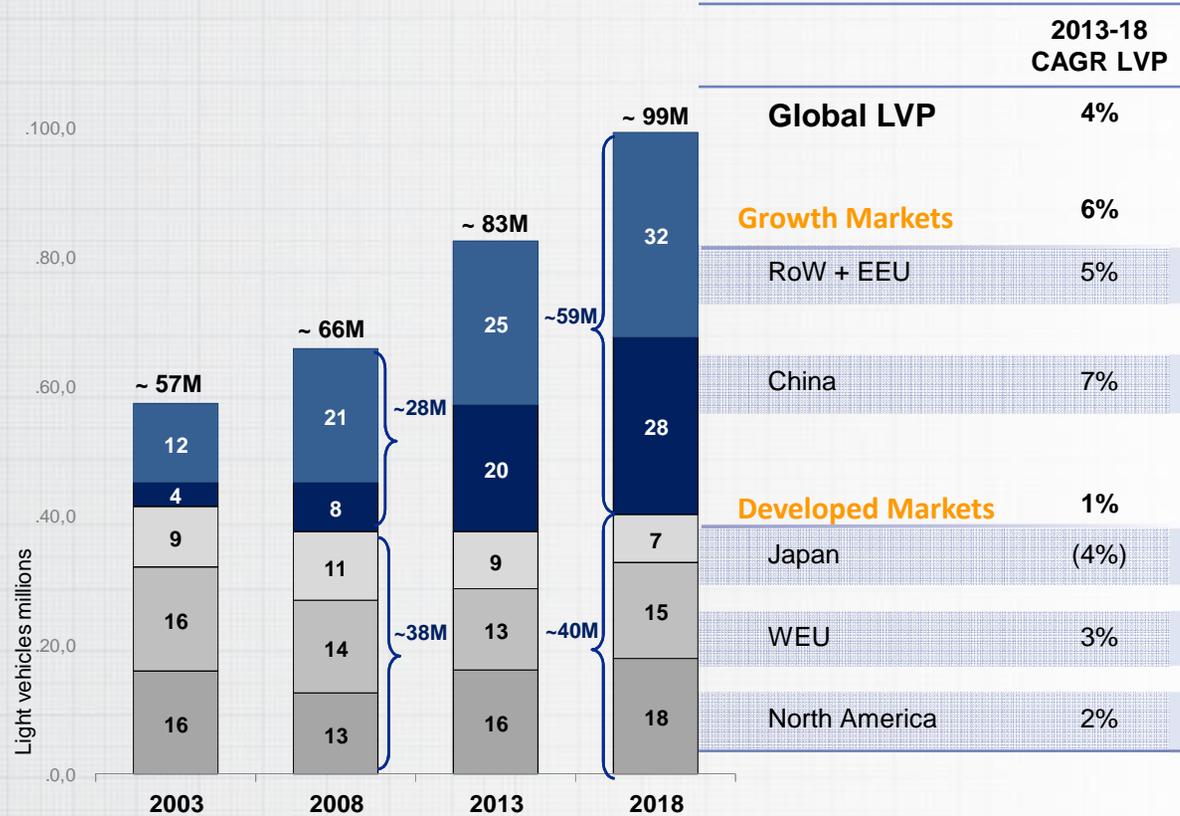
AUTOMATION

AUTONOMOUS DRIVING

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

Light Vehicle Production Outlook

- 2003 thru 2018

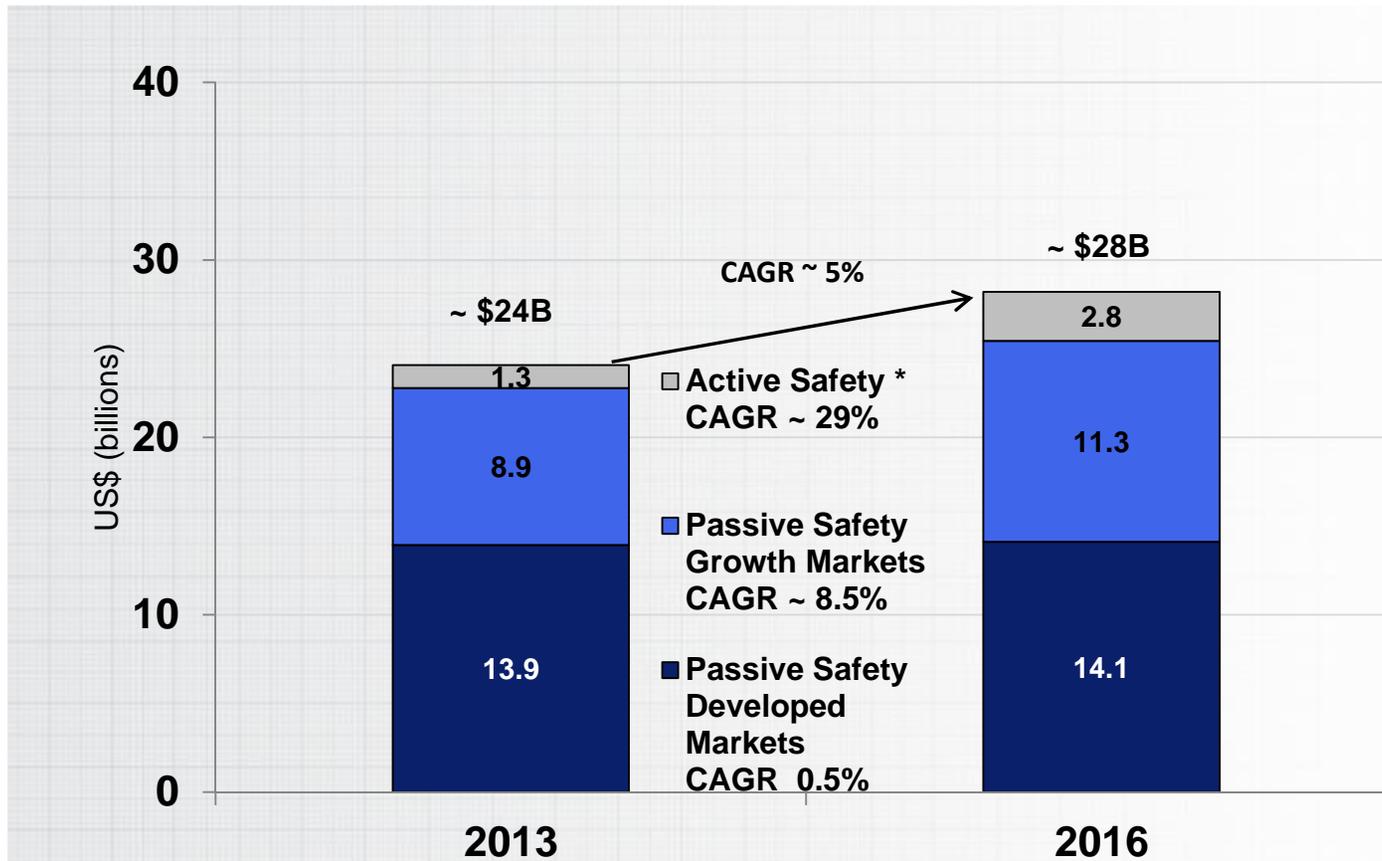


Expect the LVP increase from 2013-18 to be ~32% in the Growth Markets and ~7% in the TRIAD *

Source: IHS @ January 16, 2014, (*) TRIAD (Japan, Western Europe, North America)

Market Outlook

- Our current market

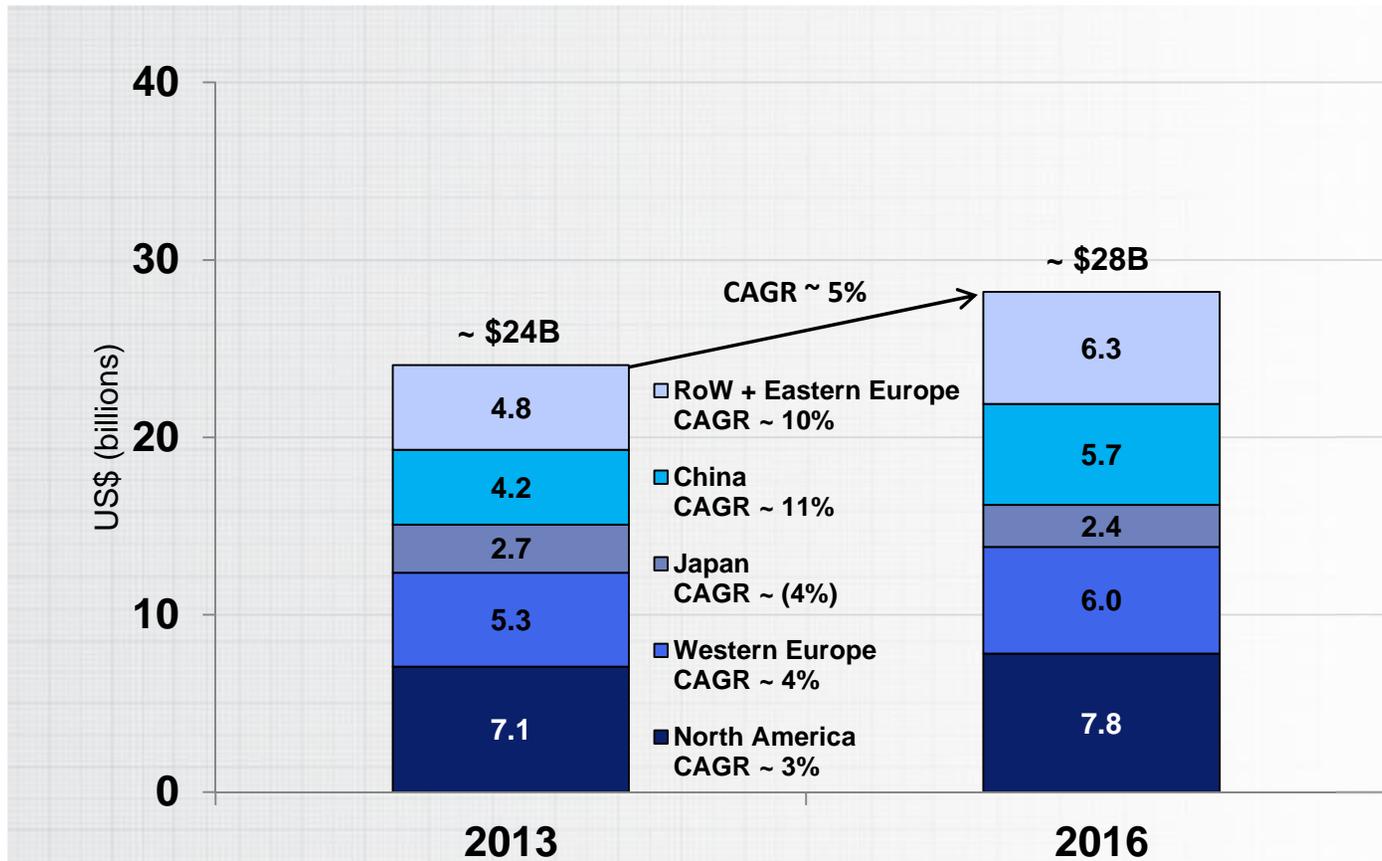


🌐 During this period our market is expected to grow ~1% faster than the light vehicle production

(*) Includes radar, front-view vision and night driving assist

Growth Drivers by Region

- Strong presence in growth markets *

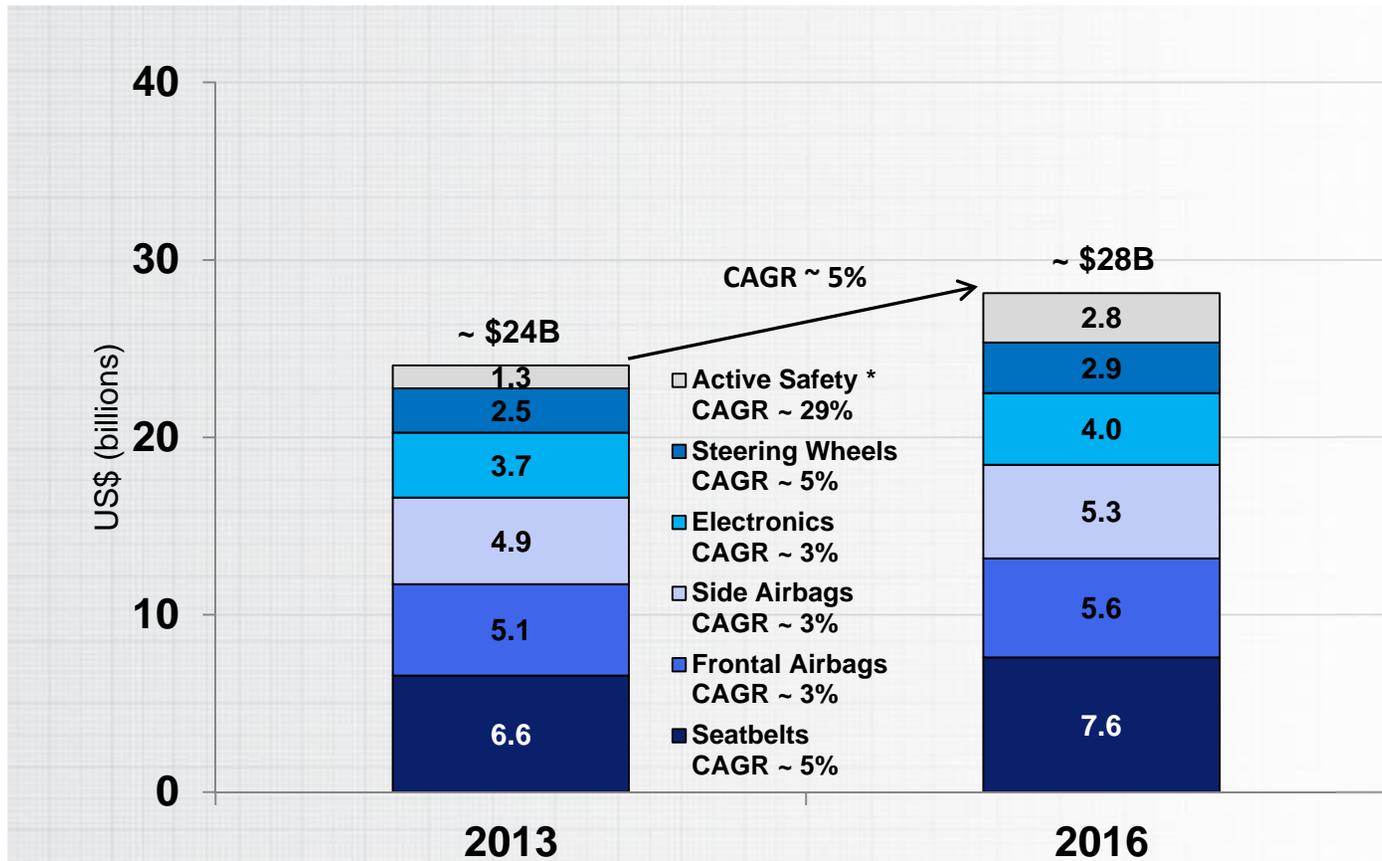


Growth markets* combined CAGR increase ~4pp faster than the LVP in those markets

(*) Growth Markets (China, Rest of World, Eastern Europe)

Growth Drivers by Product

- Strong presence in product growth segments

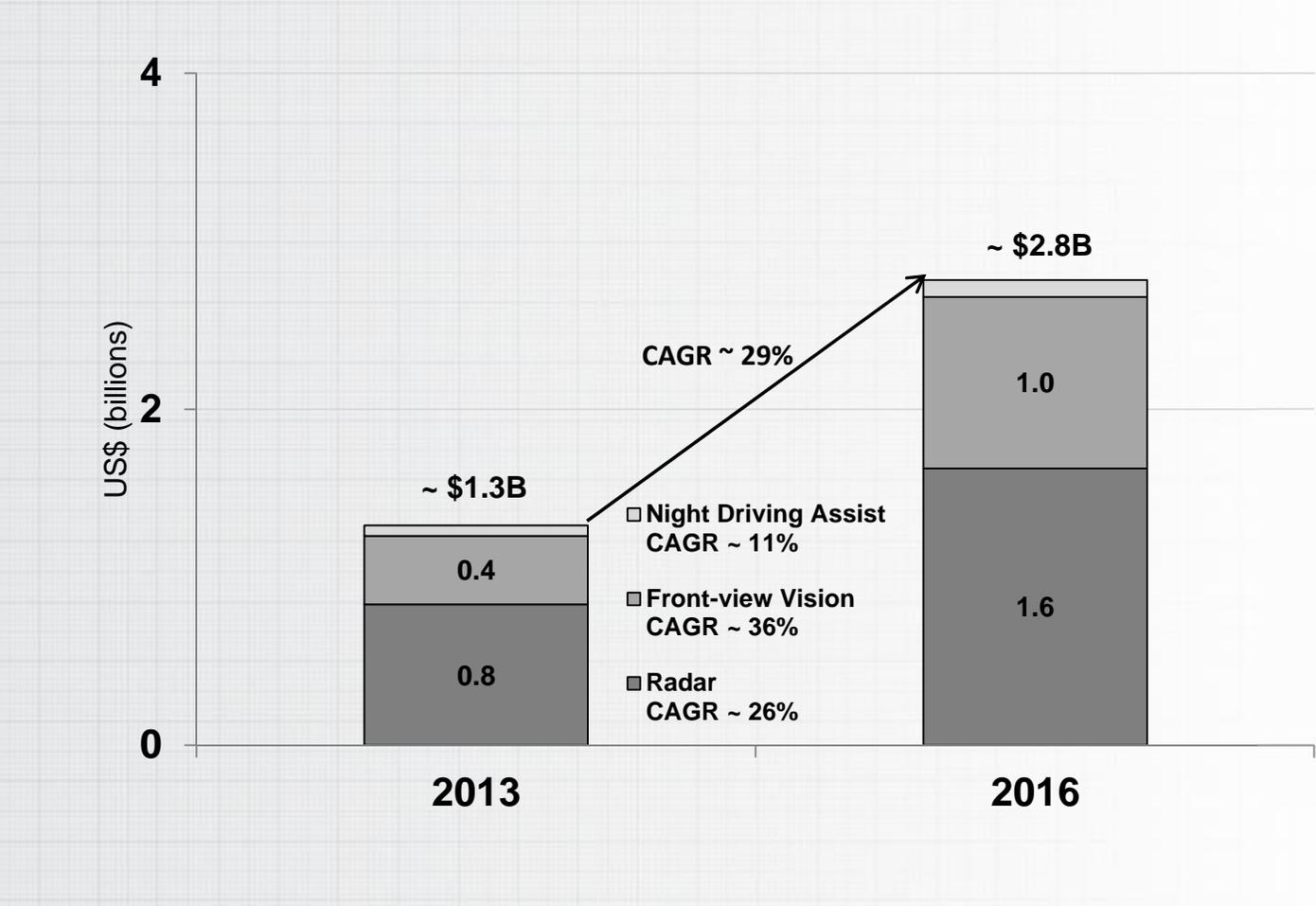


⚠ Airbag products growing slower than the overall market

(*) Includes radar, front-view camera, night driving assist

Active Safety Sensors Market

- Strong presence in radar and night vision



Overall market growth ~29%

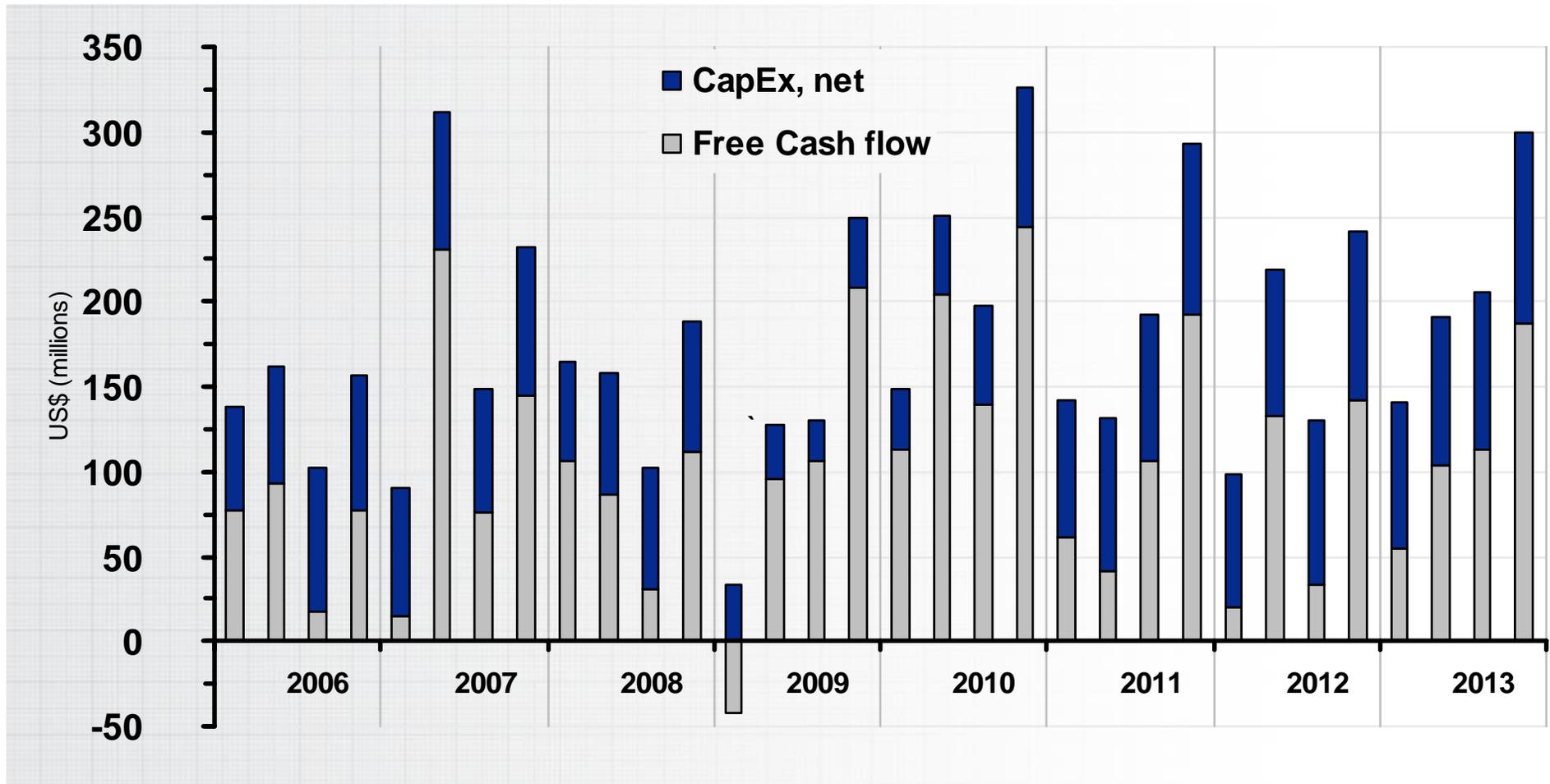
Financial Guiding Principles

- **Cash flow generation focus**
 - Growth with tight cost and capital control
- **“Strong Investment Grade” credit rating**
 - “Financial Flexibility” for growth in a cyclical industry
- **“Shareholder Friendly”**
 - Increasing Shareholder Value thru acquisitions and Shareholder returns

🔄 Value creating cash flow

CapEx, net and Free Cash flow *

- 2006 through 2013 by quarter

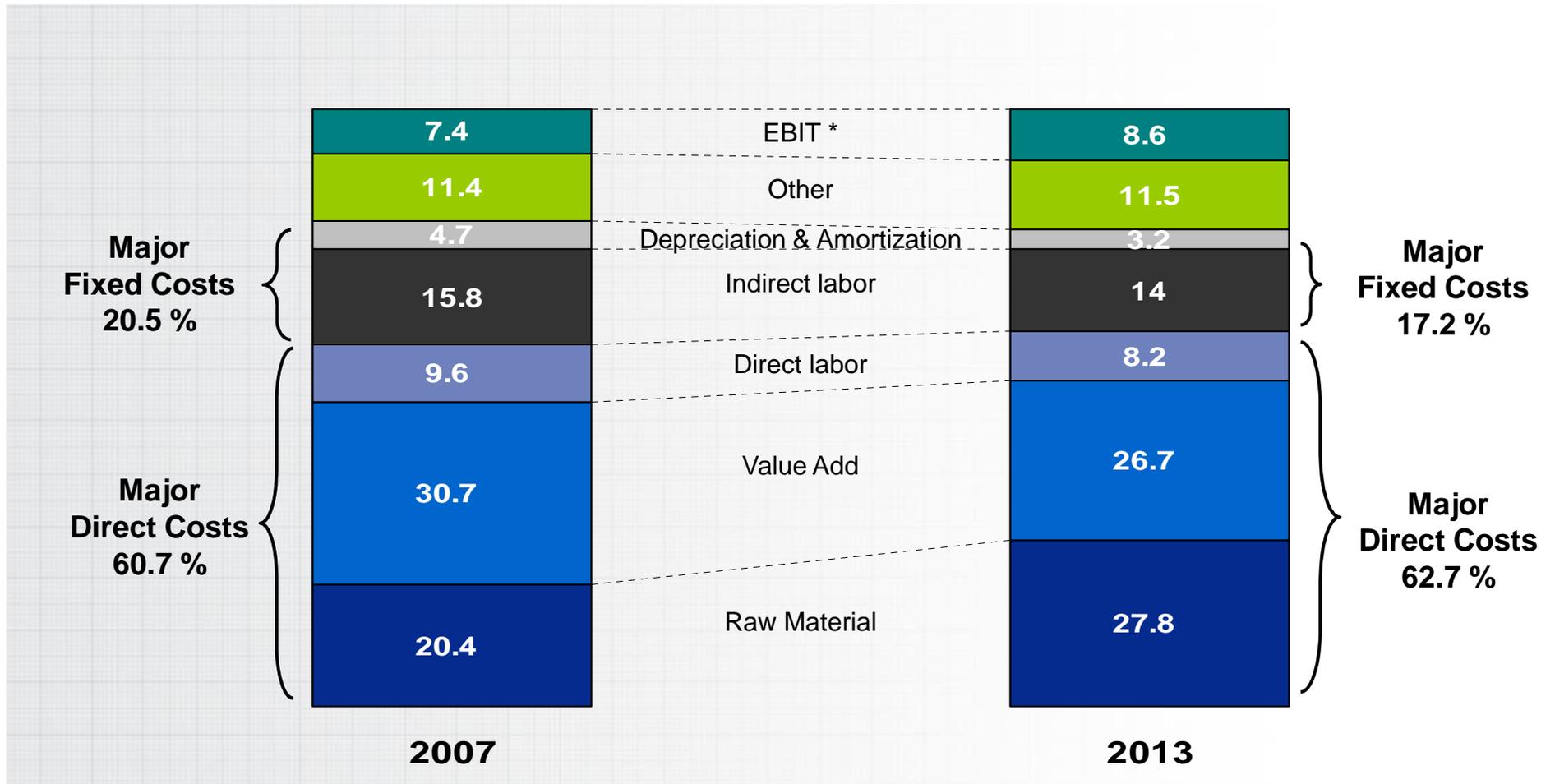


🟡 Only one quarter of negative free cash flow in the history of our company

(*) Non US GAAP measure, Cash flow before financing

Cost Structure Transformation

- % of sales



📌 Lower fixed cost base

(*) US GAAP reported

Capacity Alignment Program

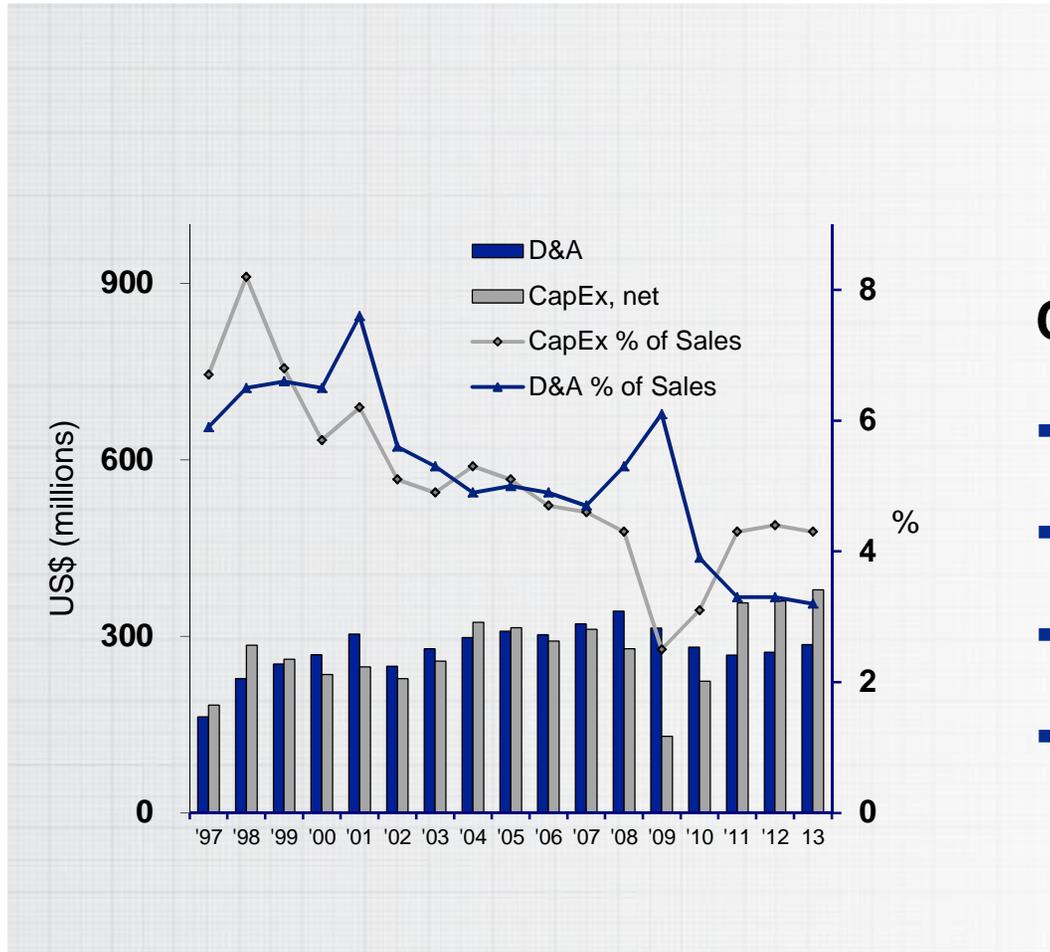
(US\$ millions unless otherwise specified)	FY12	Q1'13	Q2'13	Q3'13	Q4'13	FY13
Cost (gross)	\$79	\$3	\$3	\$1	\$33	\$40
Cash outlay	-	\$5	\$4	\$5	\$6	\$20
Savings **	-	~ \$3	~ \$3	~ \$3	~ \$3	~ \$12
Balance Sheet *	\$75	\$70	\$70	\$68	\$94	\$94

📌 Estimate the cost and cash outlay to be in the range of \$20 to \$40M in 2014

(*) Employee Related, (**) 2 to 3 year payback from when the cash outlay is made

Financial Strategy for Cash Flow

- Capital Expenditures, Depreciation and Amortization



Capital Management:

- Source CapEx from low cost countries
- Campus Facility Concept
- Global Products and Process
- Vertical Integration

🎯 Expect long-term CapEx in the range of 4 to 5% of sales to support 5% organic sales growth

Financial Strategy for RoCE

- Increasing Capital Employed Turnover *



Capital Management:

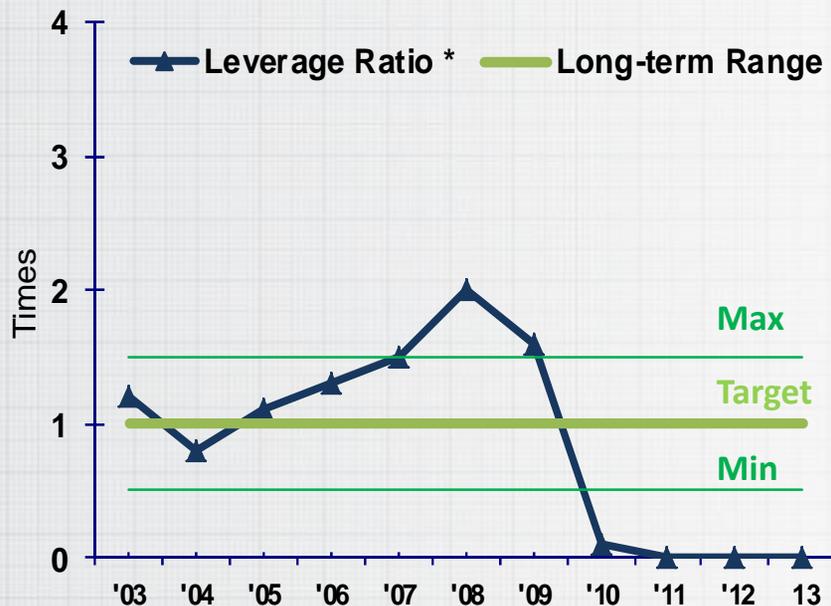
- Supplier terms to match our customers
- Source CapEx from low cost countries
- Campus Facility Concept
- Global Products and Processes
- Local Sourcing
- Value creating Acquisitions

🟡 Since 1997 capital employed has increased only ~ 0.4 times while sales has increased > 3 times

(*) Sales in relation to capital employed at the end of the period

Capital Structure

- Debt Limitation Policy



Capital Structure Target

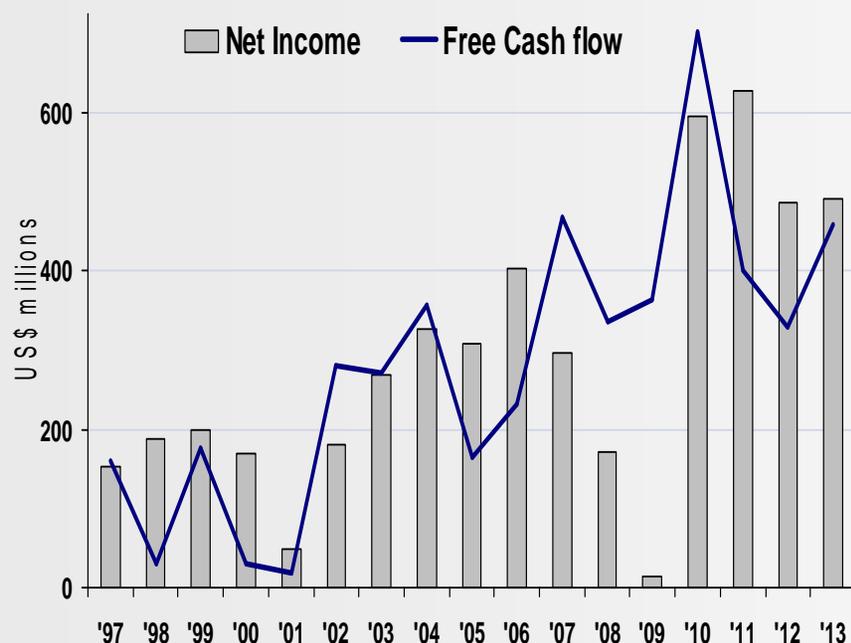
- Long-term leverage ratio around one time and within the range of 0.5 to 1.5 times.
- Started to adjust in Q4 2013
- Aim to be within the range by the end of 2014

Autoliv's Refinancing Risk Policy is for a long-term credit facility target of 1.5 times net debt

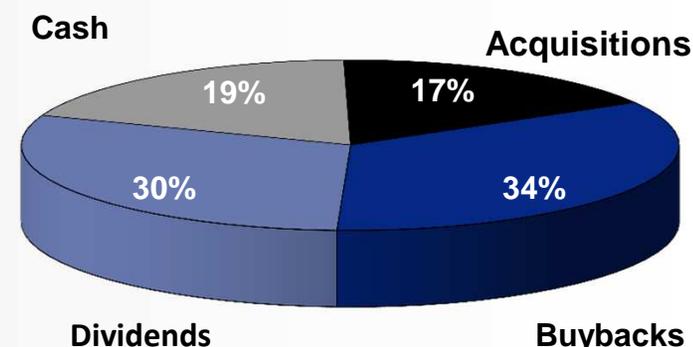
(*) Non US GAAP measure see Annual Reports for Reconciliation and Private Placement Memorandum

Financial Strategy for Free Cash flow *

- Free Cash flow, Net Income and Use of Free Cash flow



Use of Free Cash flow
1997 - 2013



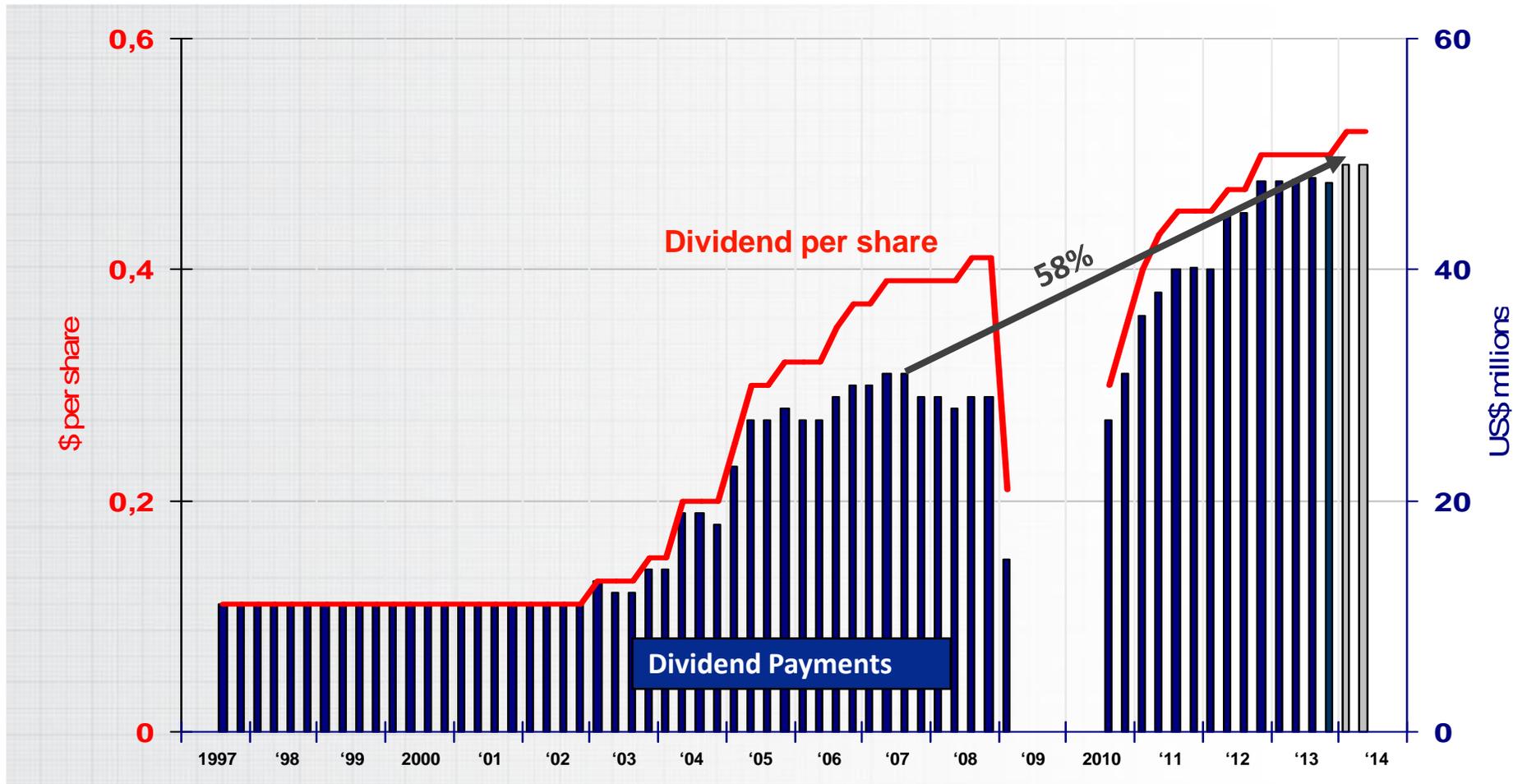
~ 81% of Free Cash flow has been returned to Shareholders or been used for acquisitions

Over the business cycles Free Cash flow conversion is ~ 97% of net income

(*) Non US GAAP measure

Dividend Trend

- Per share and cash payments *



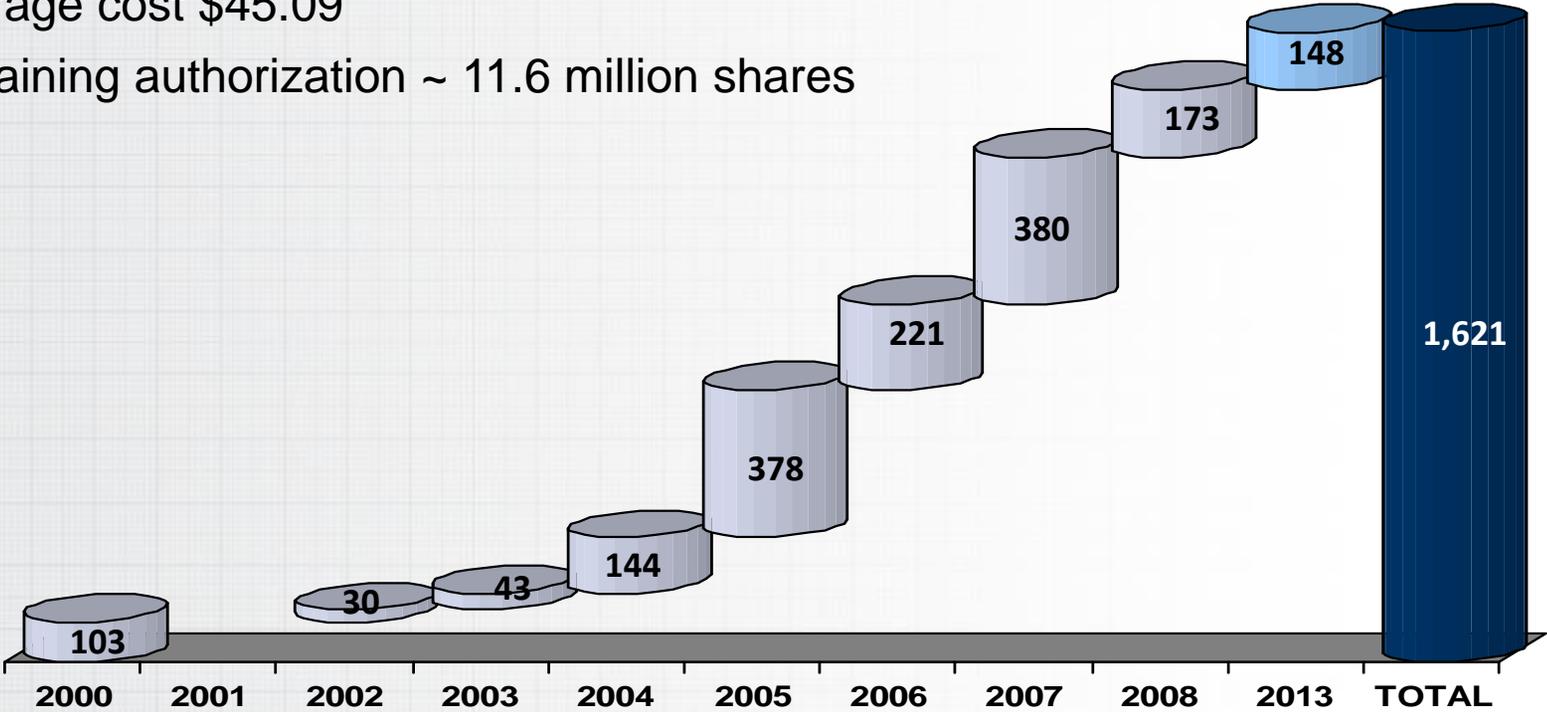
Annualized dividend \$2.08 per share

(*) Estimated dividend payment for Q1 & Q2 2014 based on share count at the end of the 4th quarter 2013

Share Repurchase Program *

was re-initiated in October 2013

- 35.9 million shares
- average cost \$45.09
- remaining authorization ~ 11.6 million shares



Cost / share	2000	2001	2002	2003	2004	2005	2006	2007	2008	2013	TOTAL
	\$22.68	0	\$19.57	\$20.97	\$41.97	\$44.86	\$55.69	\$57.35	\$46.77	\$90.39	\$45.09

⚡ Limited “open window” each quarter to repurchase shares

(*) US\$ Millions except where specified

Operational Priorities

- Strong sales growth brings related margin challenges

■ Europe

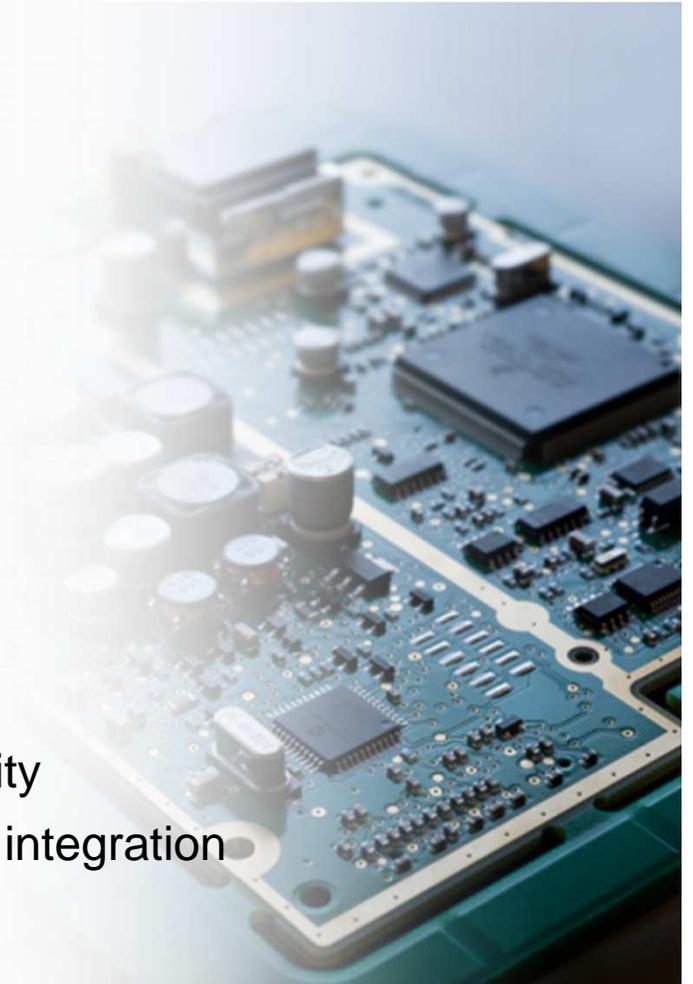
- Operating inefficiencies related to;
 - underutilized capacity
 - steering wheel growth
 - capacity alignments

■ Brazil

- Ramp-up for growth and supply chain issues

■ Investments for growth

- Improving R,D&E leverage while increasing capacity
- Increasing capacity in growth markets and vertical integration



🔄 Adjusting European footprint for the long-term while ramping-up Growth Markets & Active Safety

Key Model Launches

- FY2014

Ford F-Series



Great Wall Haval H8



Chrysler 200C



VW Passat



Hyundai Sonata



Haima Auto M3



KIA Sorento



Geely Emgrand EC7



Acura TLX



📍 China will continue to show strong growth in 2014

Market Conditions

- Early look at 2014 light vehicle production

■ Asia

- Strong growth to continue in China setting new records
- Japan is expected to decline for the full year after a strong Q1
- RoA combined is expected to have moderate growth

■ Americas

- Steady US SAAR, inventories remain stable
- Growth is slowing in both North and South America

■ Europe

- EU27 LTM* registrations slowly recovering, inventories improving
- Still no real signs of an economic recovery or cyclical rebound
- Expected to improve slightly

🚗 Expect new record light vehicle production in 2014

(*) Last twelve months

Light Vehicle Production

- 1st Quarter

Vehicles in millions	2014	2013	<u>2014 vs. 2013</u> @ Jan 16	ALV YoY Org. Growth
Americas	5.3	5.0	5%	
- North America	4.3	4.0	6%	
- South America	1.0	1.0	(1%)	
Europe	5.0	4.8	4%	
- WEU	3.3	3.2	5%	
- EEU	1.7	1.6	2%	
Japan	2.5	2.2	14%	
China	5.4	4.8	8%	
RoA	3.1	3.3	(7%)	
Other *	0.4	0.4	(1%)	
Total Global	21.7	20.5	5.5%	~ 7%

🟡 Strong start to 2014

Source: IHS @ January 16, 2014, (*) Middle East/ Africa

Light Vehicle Production

- FY

Vehicles in millions			2014 vs. 2013	ALV YoY Org. Growth
	2014	2013	@ Jan 16	
Americas	21.4	20.7	4%	
- North America	16.8	16.2	4%	
- South America	4.6	4.5	2%	
Europe	19.5	19.3	1%	
- WEU	12.7	12.6	1%	
- EEU	6.8	6.7	1%	
Japan	8.2	8.9	(8%)	
China	21.6	19.6	10%	
RoA	12.9	12.6	3%	
Other *	1.8	1.5	21%	
Total Global	85.4	82.6	3.5%	~ 5%

📍 New record global LVP in 2014

Source: IHS @ January 16, 2014, (*) Middle East/ Africa

Financial Outlook

	Q1 2014	FY2014
Sales		
Organic*	~ 7%	~ 5%
Acquisitions / (Divestitures)	-	-
Fx**	(0.4%)	0.1%
Consolidated Sales	~ 6.5%	~ 5%
EBIT Margin *	~ 8%	~ 9%

🎯 Expect another year of solid financial performance in 2014

(*) Non US GAAP measure, Earnings Before Interest and Taxes excludes costs for capacity alignments and antitrust investigations

(**) 1 Euro = 1.36 US\$, 1 US\$ = 105 JPY for Q1'14 & FY2014

Key Investment Considerations

- Industry technology leader with attractive product mix
- Diverse customer base and global presence
- Solid track record of steady growth and cost control
- Strong cash flow generation and debt protection measures
- Experienced management team committed to quality

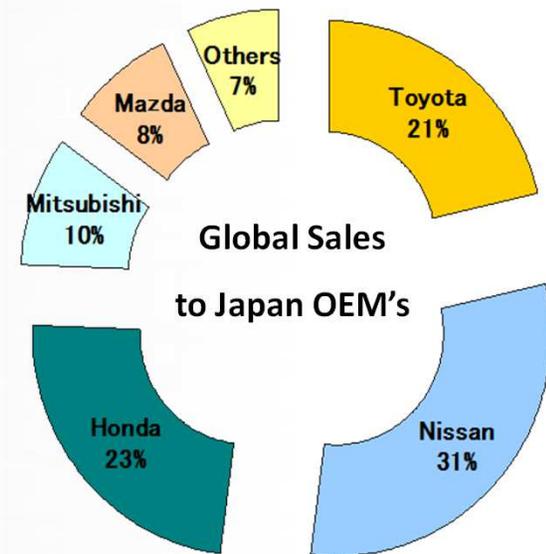


Autoliv Locations in Japan



Autoliv Japan in Brief

- Sales in Japan: US \$769M
- Global Sales to Japan OEM: US \$1.9B
- Sales to all major Japanese vehicle manufacturers
- 4 Production Locations in Japan
- 4 Regional Sales & Engineering Offices
- Technical center with Environmental and Crash Simulation
- 1,619 associates whereof 482 in R,D&E

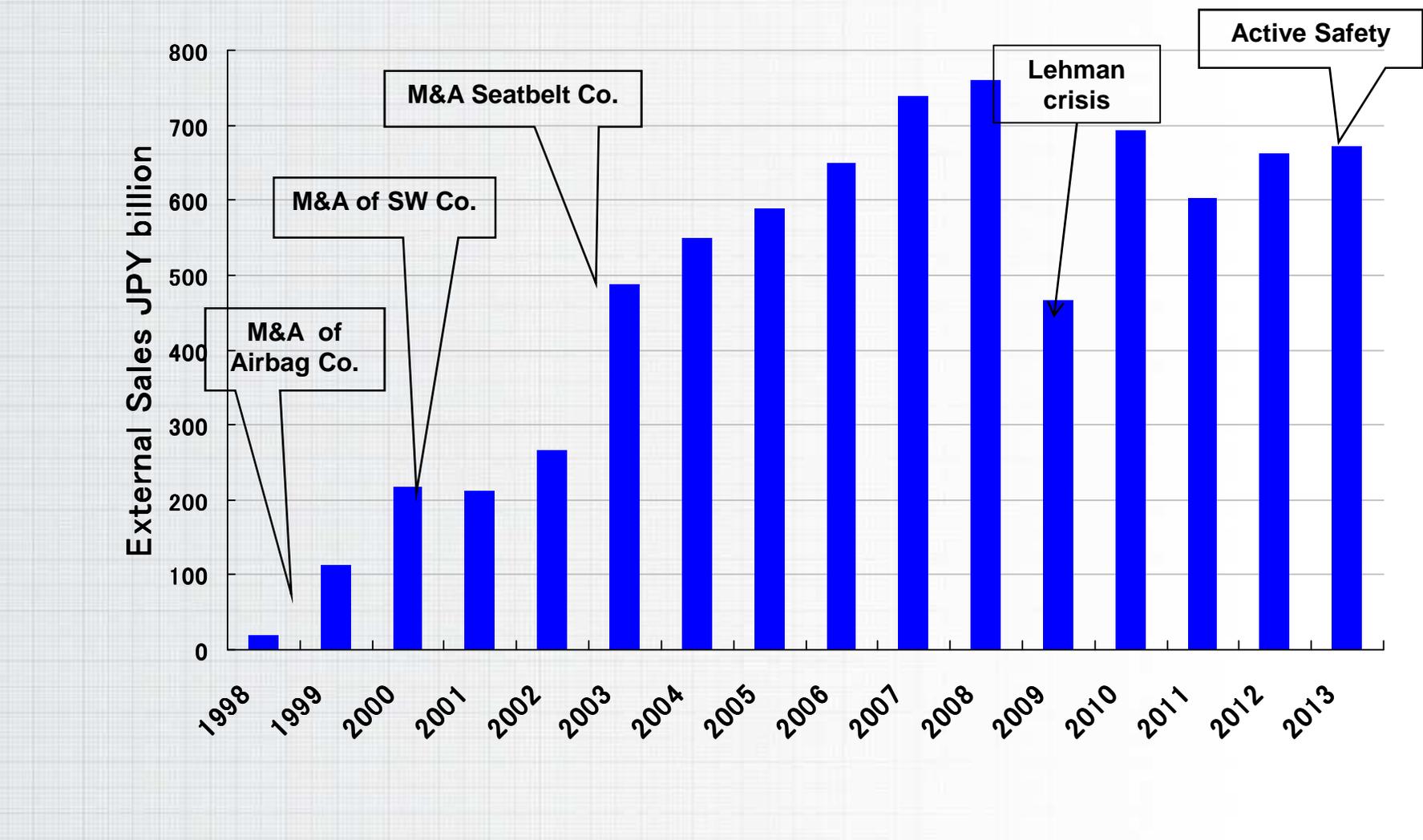


Autoliv History in Japan

- **May 1987** JV with Fuji Kiko for seatbelt production
- **Dec. 1988** JV with NOF for airbag import sales
- **Apr. 1998** Acquired STC - airbag production (ALJ Tsukuba)
- **Apr. 1999** JV with NOF for inflator production (ANJ)
- **July 1999** New Technical Center with sled test facility at ALJ
- **Jan. 2000** Acquired Izumi Motor Co. for steering wheel production (AZJ)
- **Apr. 2000** JV with NSK for seatbelt production (AJS)
- **July 2001** Formed a Group holding company (AKK)
- **Apr. 2003** AJS became a 100% Autoliv company
- **May 2003** NSI (SW plant) - became a 100% Autoliv company (AZH)
- **Dec. 2004** ALJ and AJS merged
- **Jan. 2006** AKK/ALJ/AJS/AZJ/AZH became one legal entity
- **Nov. 2006** New Safety Center equipped with pitching sled at ALJ
- **Jan. 2010** Acquired remaining shares of ANJ from NOF
- **Aug. 2010** Merge ANJ into AKK (one legal entity in Japan)
- **Aug. 2010** Relocation of AJS to Tsukuba and expanded with new Safety Center (2600m²) and Seatbelt Plant (4800m²). (ALJ+AJS=AJT)
- **Mar. 2013** New Autoliv Electronics Japan office in Yokohama (AEJ)

Autoliv Japan External Sales

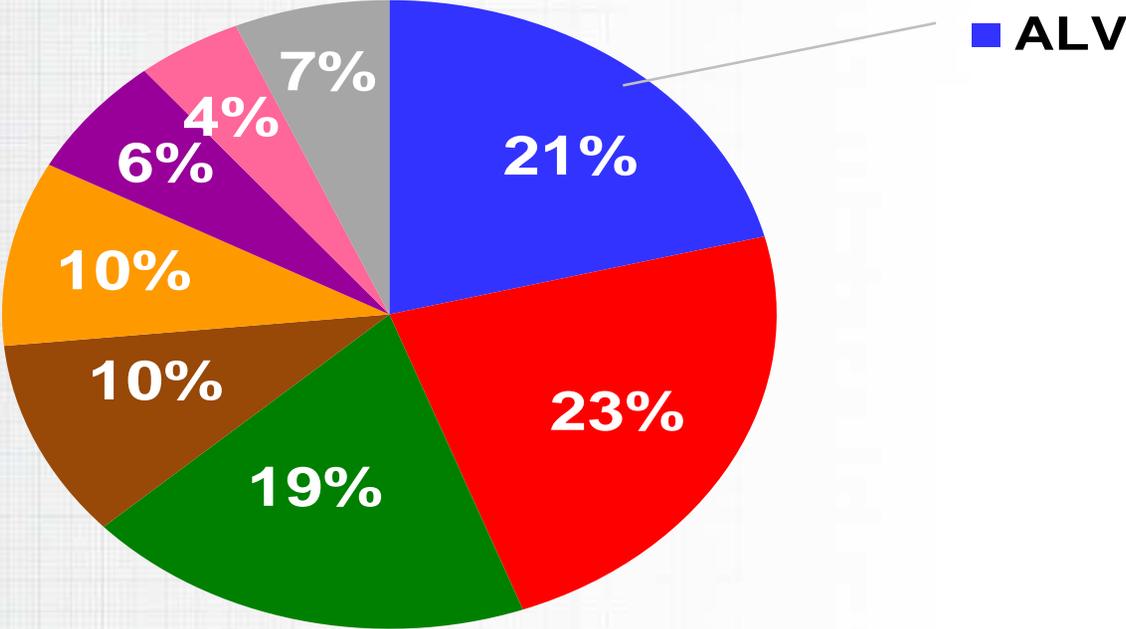
- \$688M (CY2013) 8% of Total Autoliv Sales.



Automotive Safety Market Shares in Japan

where Autoliv is a strong #2

2013



Autoliv Tsukuba Plant

– Products (Frontal Airbag)



Driver Airbag (DAB)



PRC



Passenger Airbag (PAB)

Autoliv Tsukuba Plant

– Products (Side Airbag)



Side Airbag (SAB)



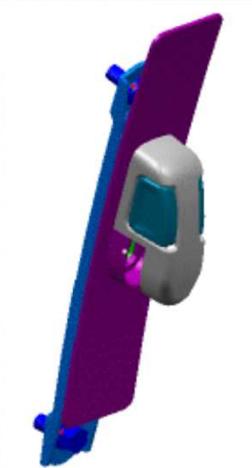
Inflatable Curtain Airbag (IC)

Autoliv Tsukuba Plant

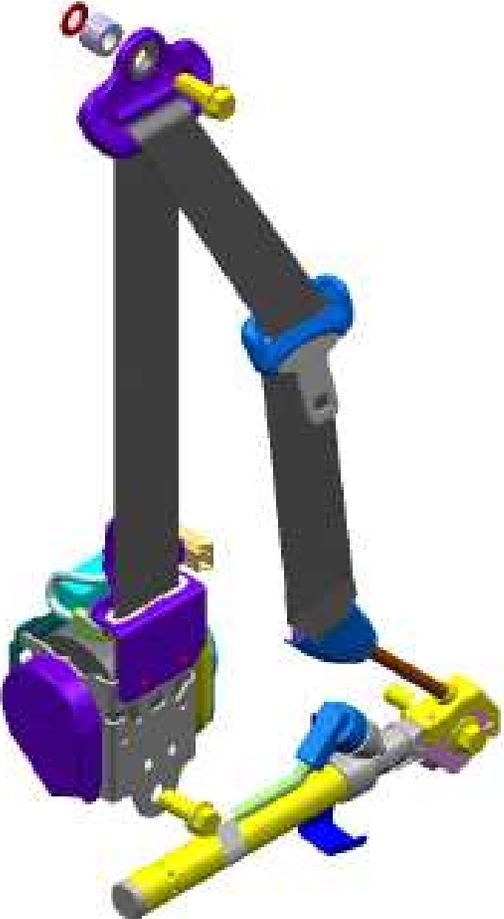
– Products (Seatbelt)



Seat Belt Buckles

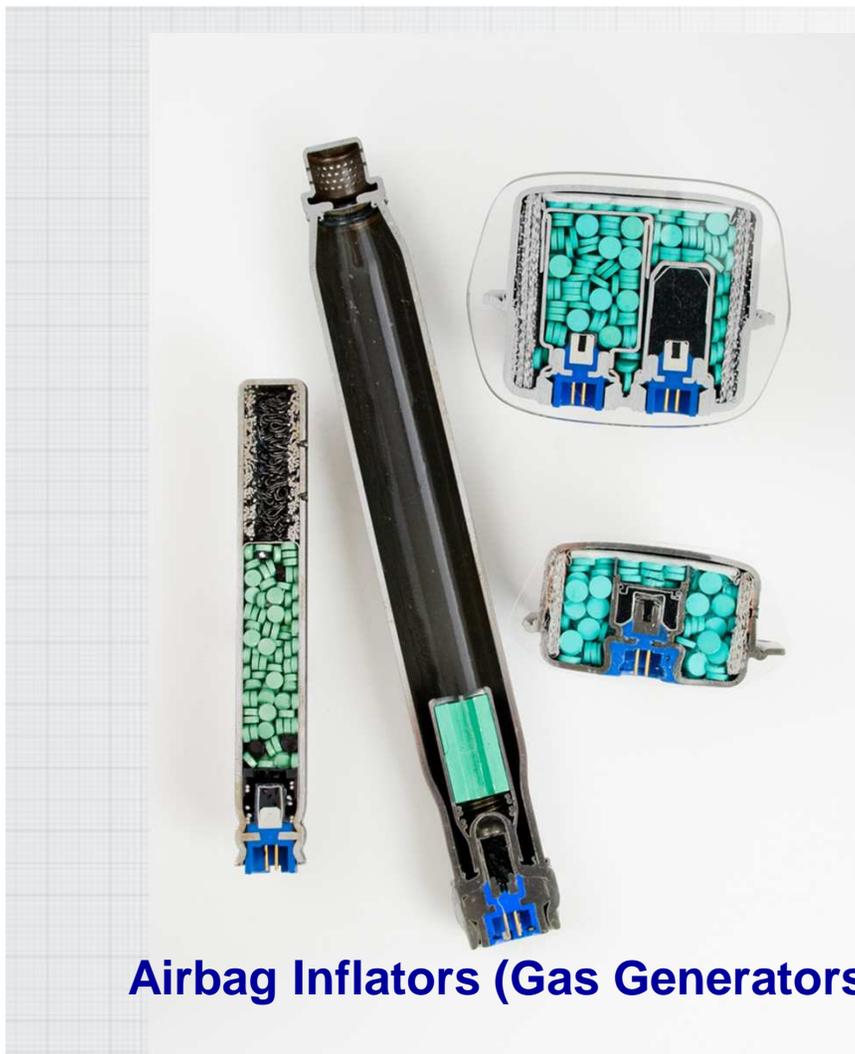


SB Height Adjuster



Seat Belt Retractors and Pretensioners

Aichi Facility



Airbag Inflators (Gas Generators)

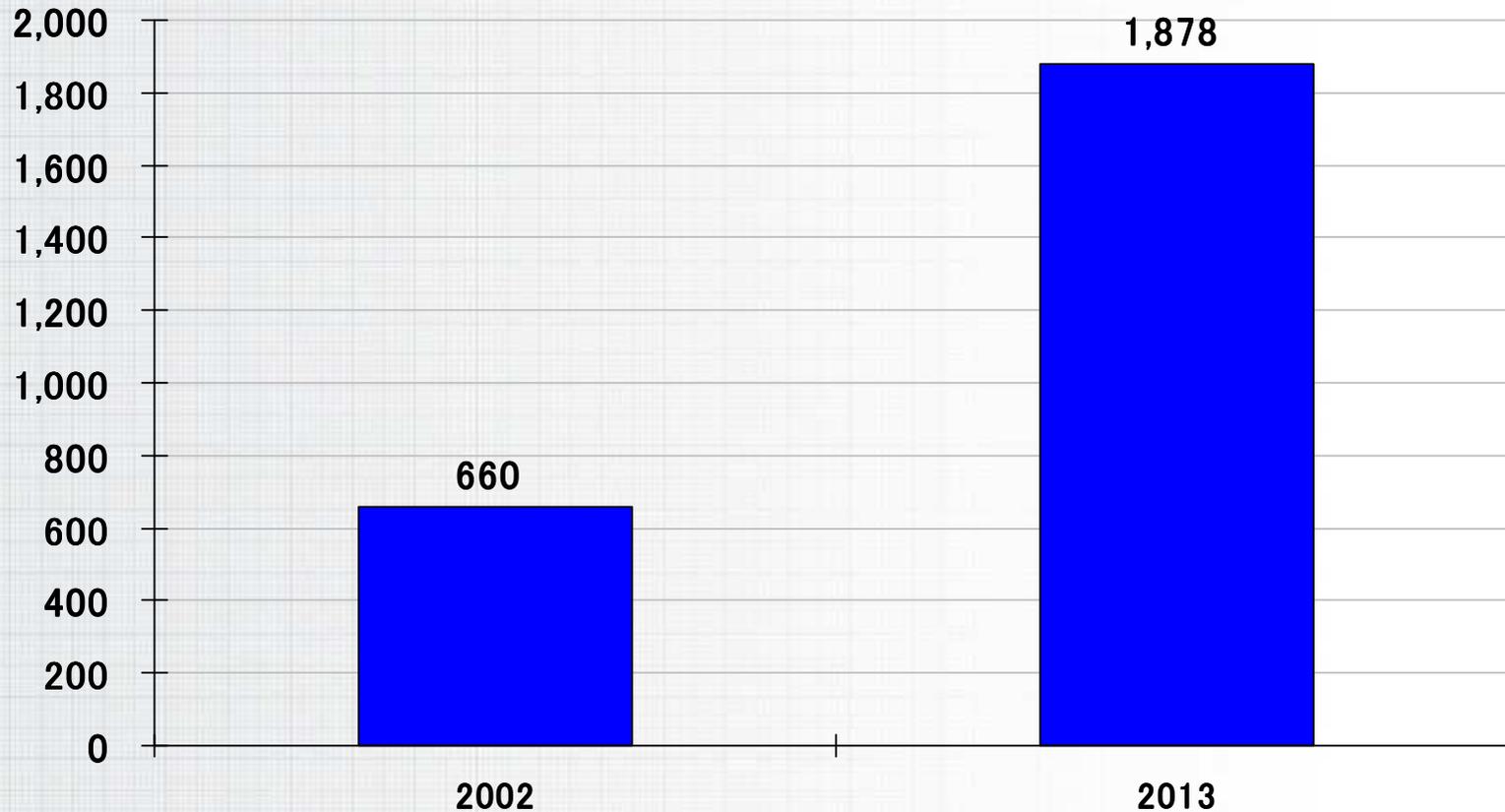
Atsugi Facility



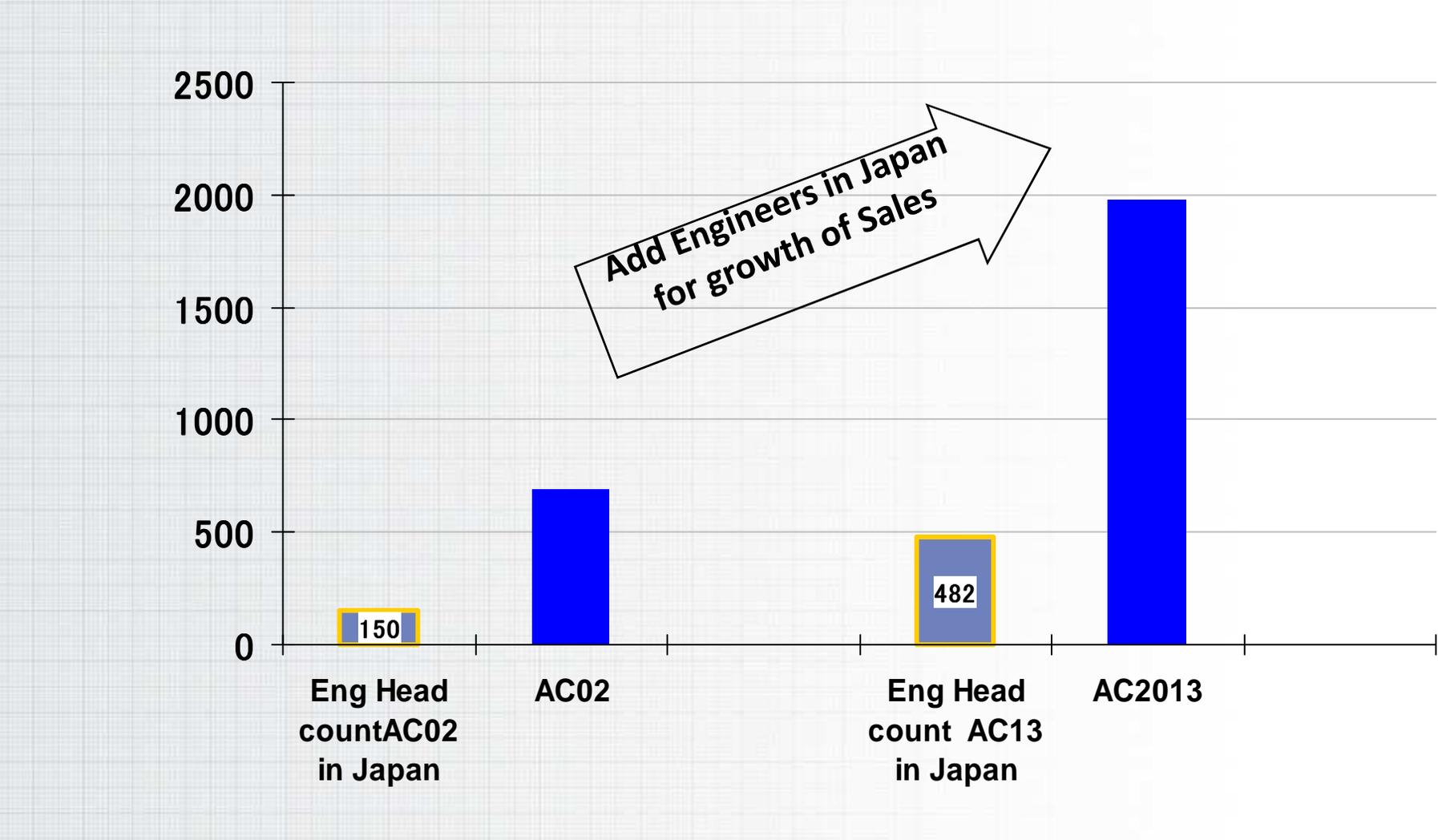
Steering Wheels

Total Autoliv External Sales for J-OEM

- \$660M (15% of ALV) ==> \$1,878M (21% of ALV)



Autoliv Sales to J-OEMs and RD&E Headcount - US\$ M

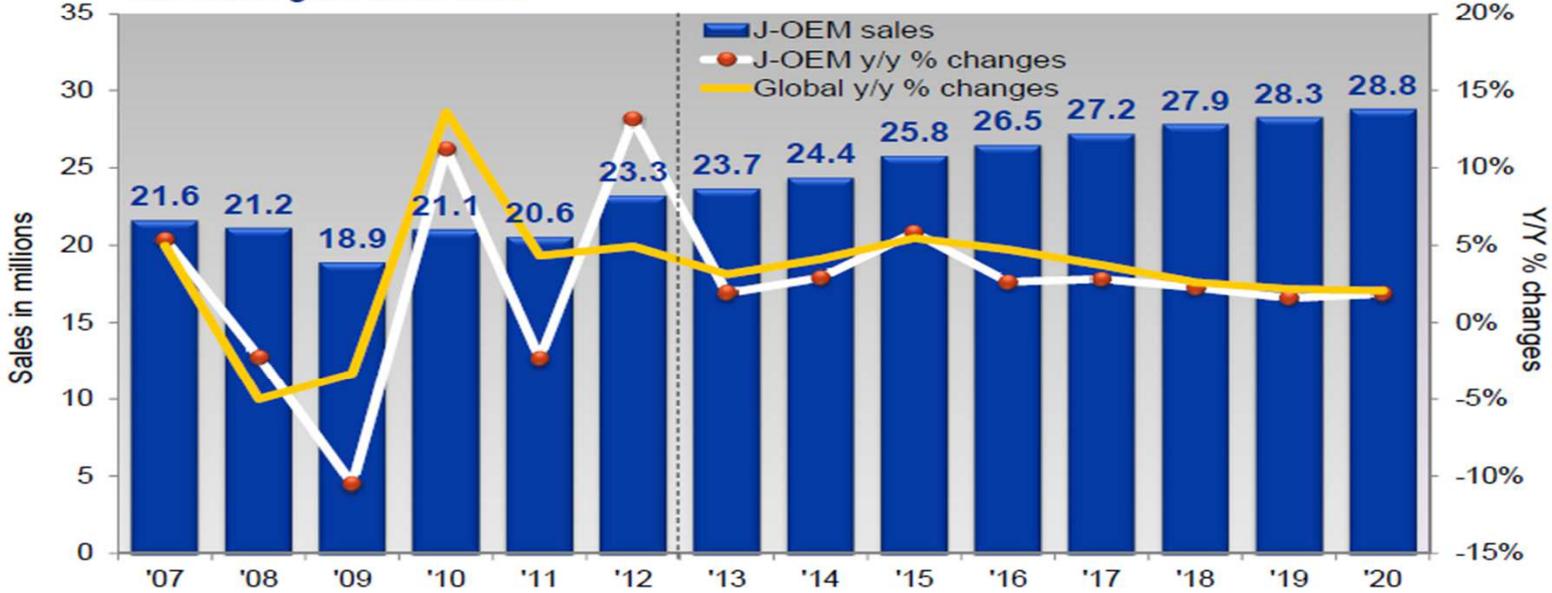


J-OEM Light Vehicle Sales

Japanese OEM light vehicle sales outlook Recovery in mature markets and growth in emerging market support stable growth



- The Datsun brand's introduction and new B-segment vehicles from Honda mainly lead the sales growth in 2015

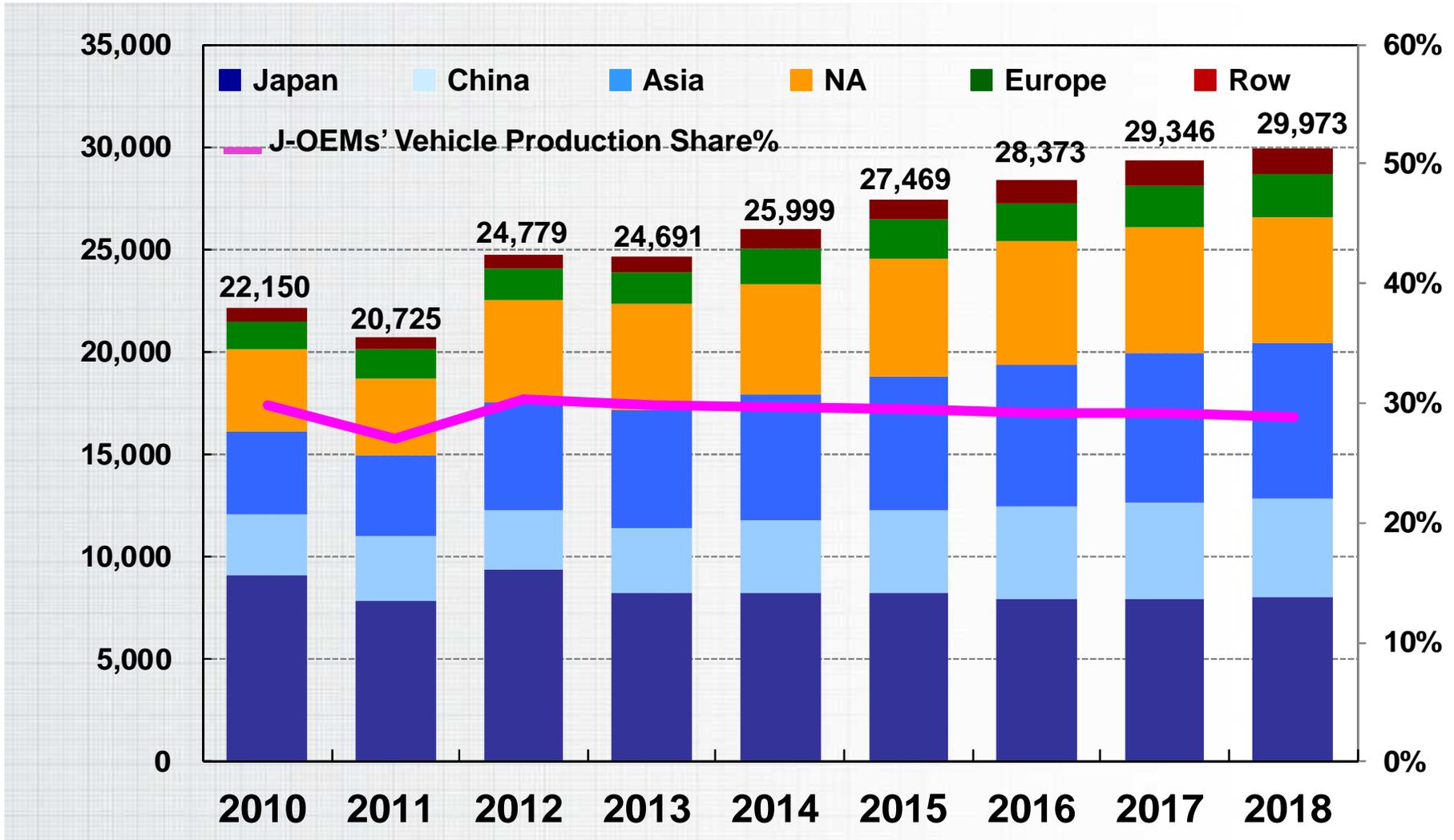


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IHS has acquired RL Polk including Polk and CARFAX

J-OEMs Light Vehicle Production Outlook

- millions



Data: IHS Automotive Light Vehicle Production (February 2013)

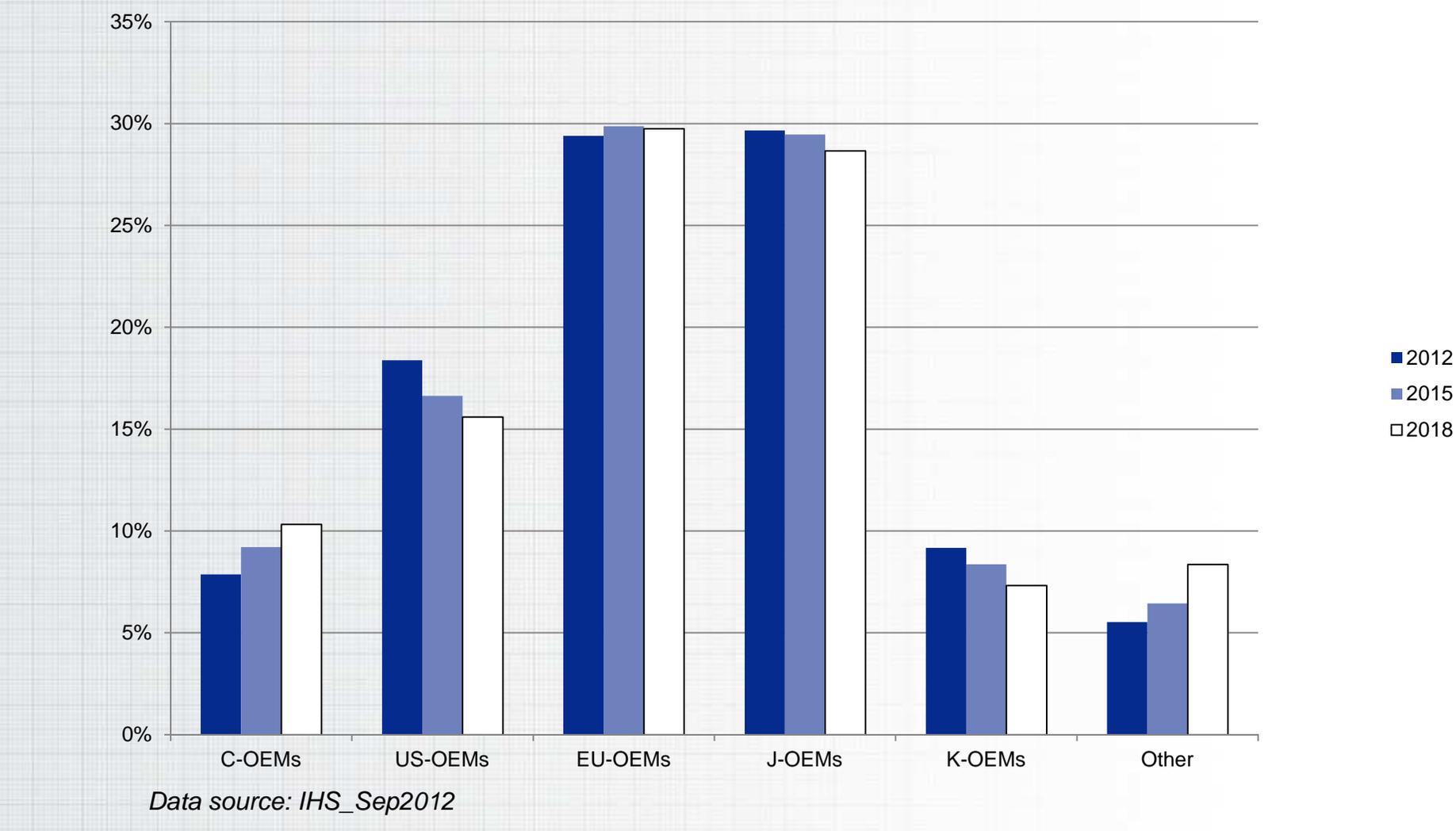
ALV 2014 Post Q4'13 result - 55

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J-OEMs as Design Parent

~ 30% all worldwide vehicles through 2018



Critical Success Factors in Japan

- **Strong technical and manufacturing presence**
- **Global Vision with Local Execution**
- **Technically Superior Products**
- **High Quality Performance**
- **Cooperative & Sharing Attitude**
- **“Monozukuri”**
- **QCDDM**

Challenges in Japan

- **High Labor Costs & High Corporate Tax Rates**
- **Historically strong currency**
- **Good for AJP as net importer, but**
- **Unfavorable for OEMs**
 - Reduced export
 - Relocation of production
- **Regulatory Policy**
- **Keiretsu relationships**
- **Japan-China political rift affecting JOEM sales in China (longer term implications?)**
- **China Production and Exports from Japan affected**

Prospects for Growth in Japan

with flat / declining LVP in Japan

1) New Products

- Active Safety: Radar, Night Vision, Electronics

2) Market Share Expansion on existing products

- Competitive new technologies with efficient manufacturing and logistics

3) M & A

4) Major Opportunities with J-OEMs will be outside of Japan

Thank you!



Autoliv

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

and prevent or reduce ten times as many severe injuries annually.