

Real Life Safety

Autoliv Capital Markets Day 2015

Autoliv

Passive Safety

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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*

Passive Safety

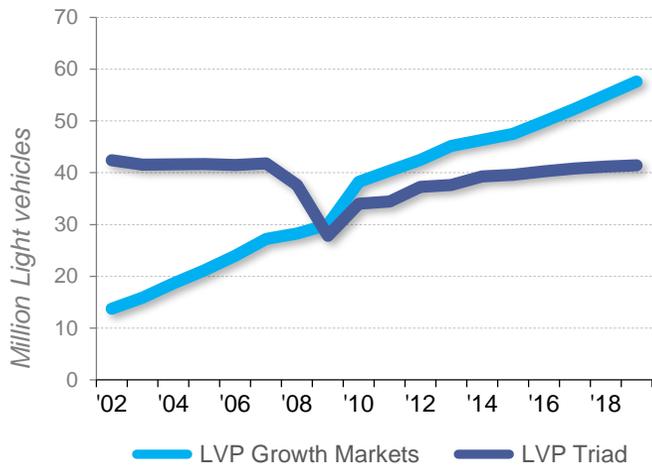
- The foundation for growth
- Building for the future

Growth Drivers

Support the future development of our Passive business

A Changing World

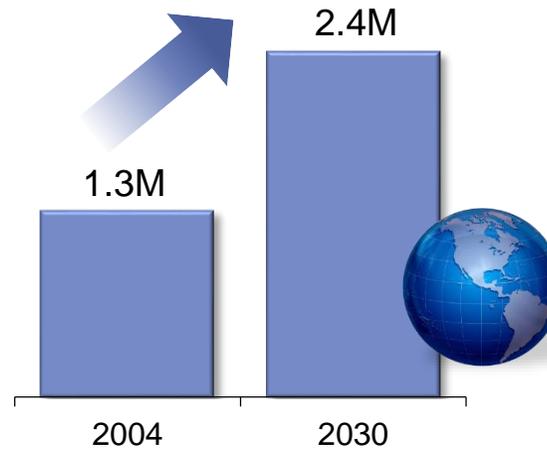
Growing LVP (M)*



(*) IHS

Growing Traffic Injuries*

LT need for passive restraints



(*) WHO

Continous Innovation

Passive Safety towards AD



Strong Foundation

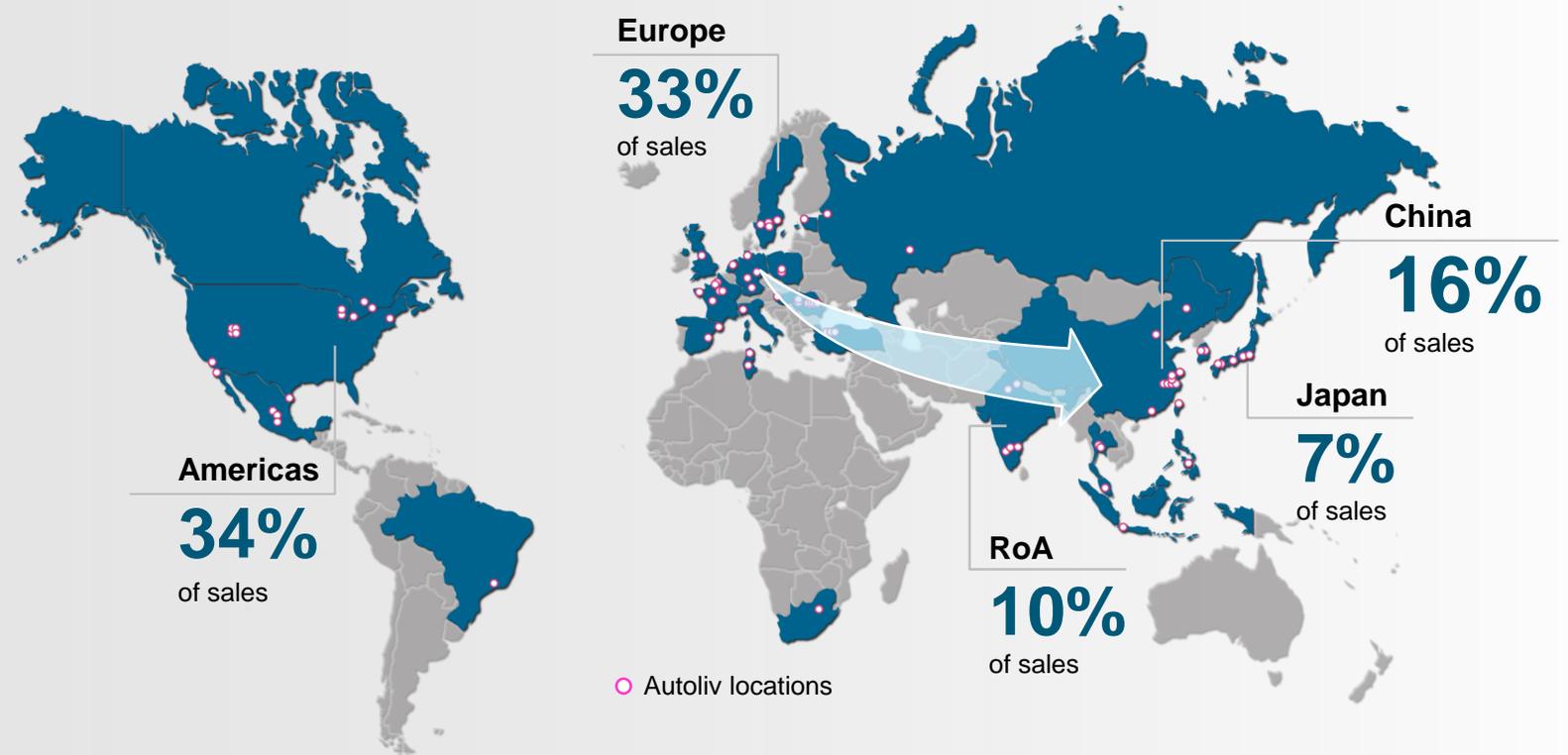
Strong market position and a balanced footprint aligned to our customers

2014 MARKET SHARE

Side Airbags	48%
Frontal Airbags	30%
Steering Wheel	30%
Seatbelts	40%

2014 EMPLOYEES

Cost competitive countries	74%
Higher cost countries	26%



Strategy to Stay Ahead

New operating structure to drive change to deliver more

- A changing **Passive Safety** market
 - Creates need to deliver with higher efficiency with focus on Q5, speeding up 1P1P and innovate in concert with Active Safety



Zero Defects by flawless execution



One Product One Process to improve cost effectiveness and robustness



Innovation to lead industry in Real Life Safety



Relentless Focus on Quality

Foundation for saving lives and creating value



Autoliv
~%1



Importance of Quality

- A competitive advantage
- A matter of life and death in real life safety
- Key for our sustainability



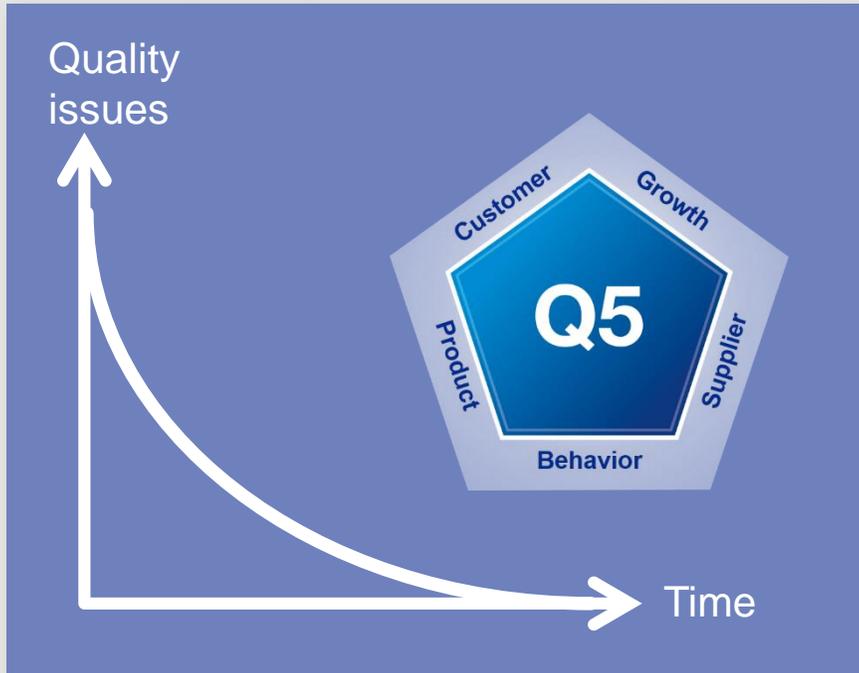
Relentless Focus on Quality

Unceasingly strengthen our foundation through continuous improvement



Our Journey on Quality

- Increased focus since 2010 with launch of Q5
- Holistic approach
 - Robust designs
 - Flawless components and manufacturing
 - Traceability (in case of recalls) and
 - Organizational learning (from mistakes)

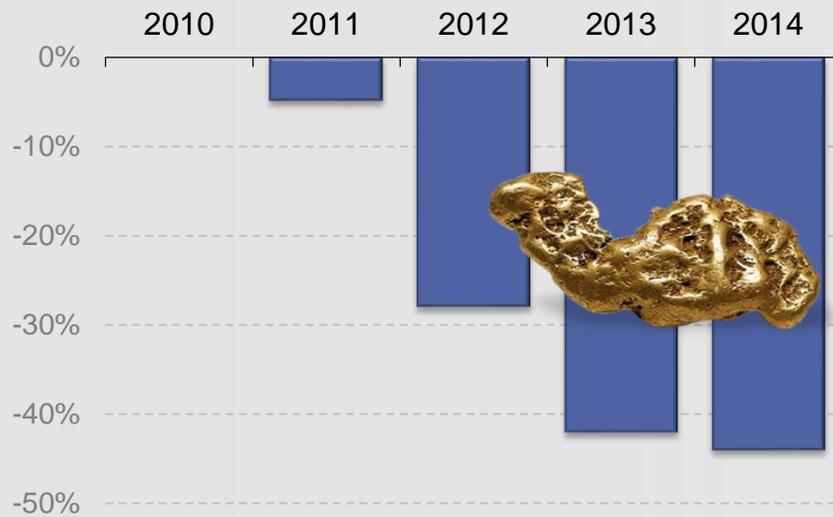


Relentless Focus on Quality

Achieving excellence through a global sharing and learning organization



Reduction of Non-Conforming Events



Global Learning

- Across divisions through business processes

Yokoten (“Application Across Everywhere”)

- Mistakes golden nuggets for the organization
- Lesson learned shared across divisions

Global Benchmarking

- Steal with pride
- Self-reinforcing continuous improvement

Relentless Focus on Quality

Zero Defects a growing reality within Autoliv



One Product One Process

Leverage global scale and efficiency



Reduce complexity

- Global supply chain

Maximize economies of scale

- While maintaining some redundancy

Benchmarking

- Drive global best practice
- Self-reinforcing lessons learned

One Product One Process

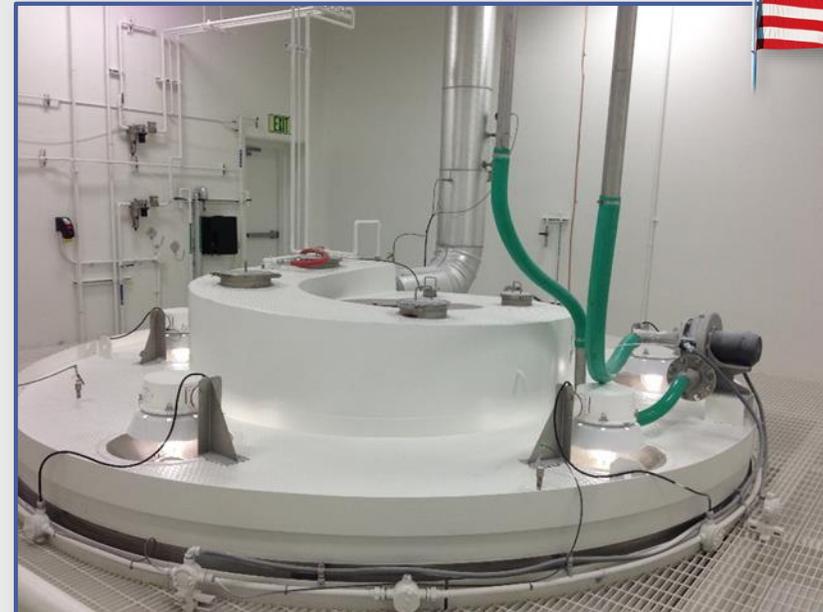
Standardization for global scale and efficiency



Spray Dry Dryer Lid



Jintan
(Jiangsu)



Promontory
(Utah)

One Product One Process

Standardization for global scale and efficiency



Spray Dry Fluid Bed



Jintan
(Jiangsu)



Promontory
(Utah)

One Product One Process

A recent real life application



Explosion at Tianjin Port on Aug 12th 2015

- Import and export of dangerous goods suspended

China operation not impacted

- Highly localized propellant production

Propellant to Japan impacted, successfully backed up from the US due to 1P1P



Incremental Innovation

In concert with Active Safety and Autonomous Driving in developed markets



Incremental Passive innovation...



... ground-breaking Passive innovation



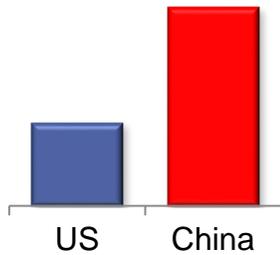
Passive Safety

- The foundation for growth
- Building for the future

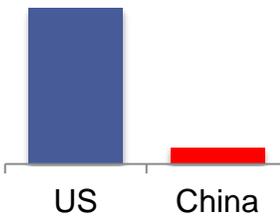
Building For the Future - China

Still the global growth engine long term

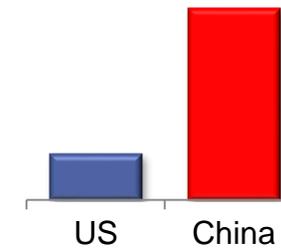
Fatalities per 100,000 vehicles



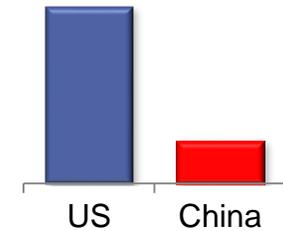
Vehicles per 1,000 people



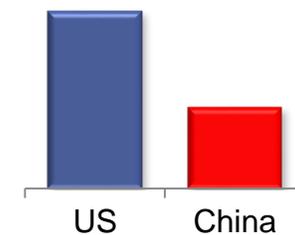
Population



GDP/Capita



CPV (\$)



Source: UN, Autoliv internal

Building For the Future - China

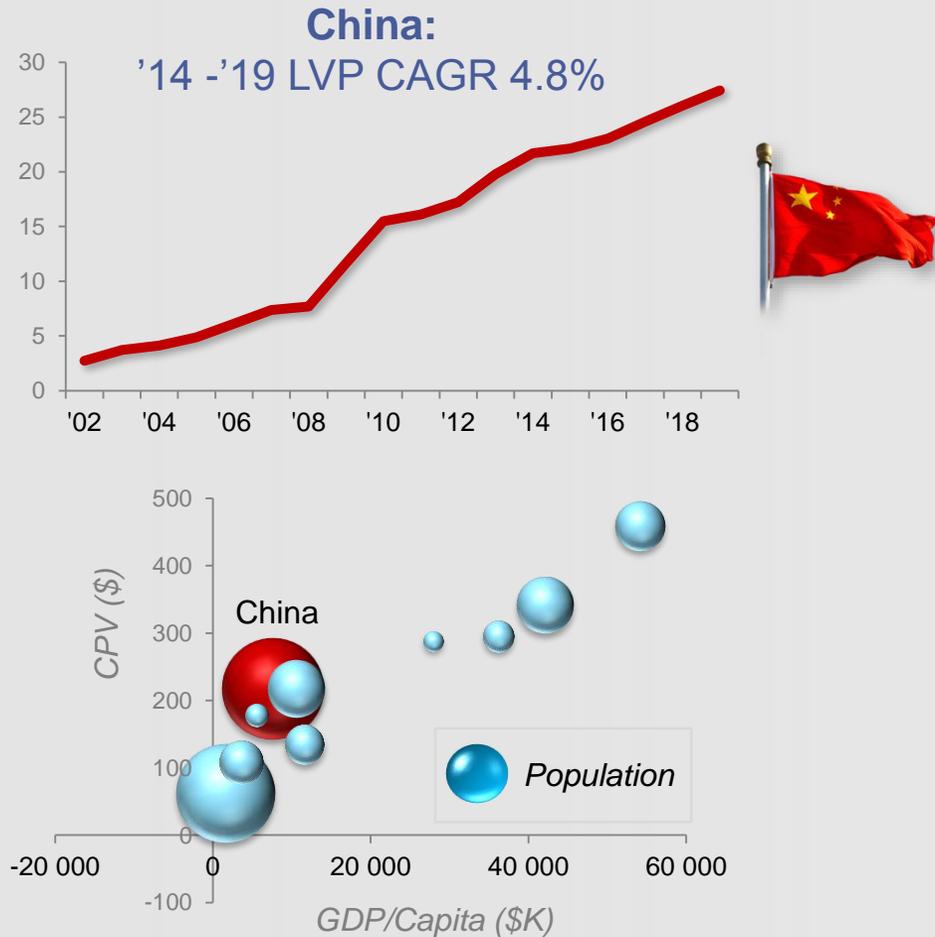
“The New Normal”



- **Economy enters into a new phase**
 - Changing structure; consumption, services and innovation
- **Uncertainty and fear**
 - Lower growth. Reduced visibility. No longer beating past records
- **“New normal” here to stay**
 - Not everyone can be a winner
- **Huge potential remains**
 - Strong leadership on the ground with China insight needed

Building For the Future - China

Still the global growth engine long term

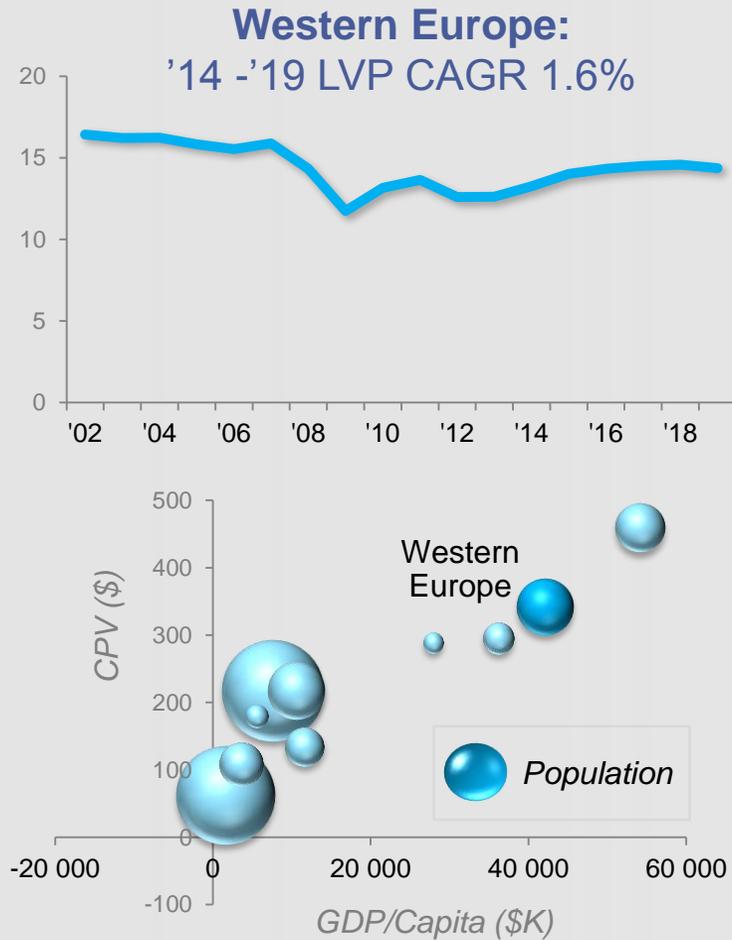


Source: UN, IHS, Autoliv internal

- **Market and technology leader in China**
 - Proven team on the ground
 - Engineering resources at China Technical Center
 - Competitive supply chain
- **Program in place to meet slow down**
 - Expense control, headcount freeze where applicable and review of CapEx plans
- **Securing the long term future**
 - Strengthen customer and engineering resources
 - Adapt customer strategy to maximize growth
 - Align business processes to new normal

Building For the Future – Western Europe

Footprint optimization, steering wheel on track to recovery

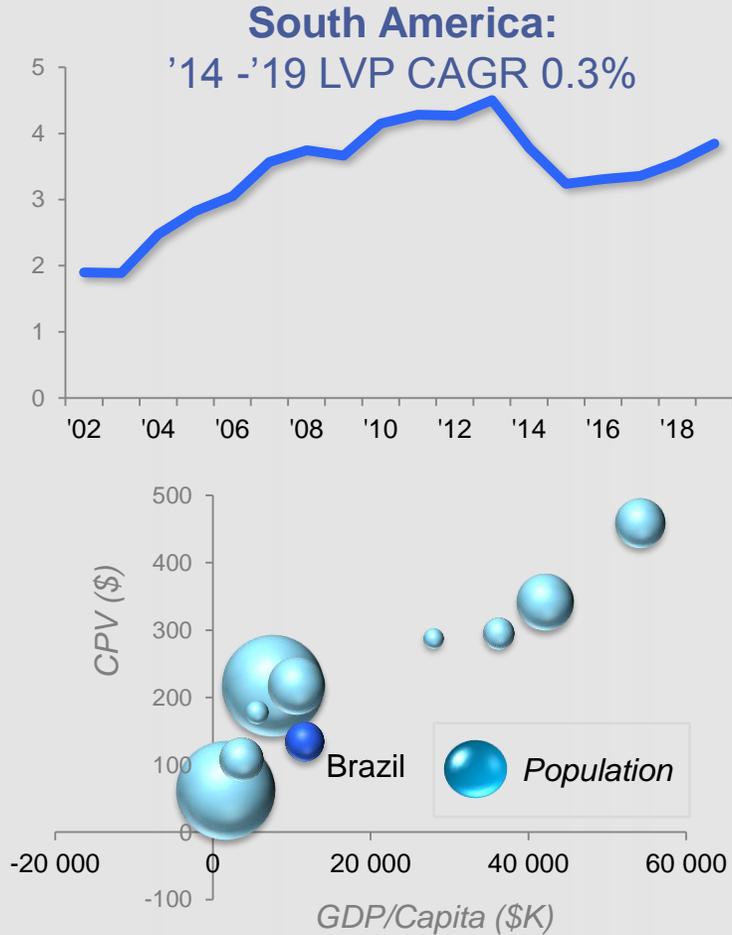


- **Western Europe recovery**
 - LVP volumes not expected to reach pre-2007 levels this side of 2020
- **European operation improvements**
 - Footprint optimization on track
 - Steering wheel operation recovery on track
- **Benefit from improvements as industry volumes returns**

Source: UN, IHS, Autoliv internal

Building For the Future – South America

Continued challenges, recovery program on track



■ Economic challenges in South America

- Economy in recession
- Increasing tax burden
- Significant FX devaluation
- Customer shutdowns

■ Recovery program on track despite headwinds

- Cost optimization and improved supply chain

■ Future growth drivers

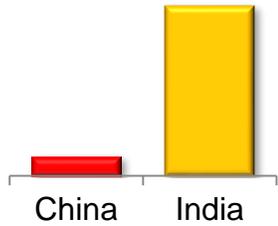
- Frontal airbags mandatory from Brazil 2014
- New customer orders

Source: UN, IHS, Autoliv internal

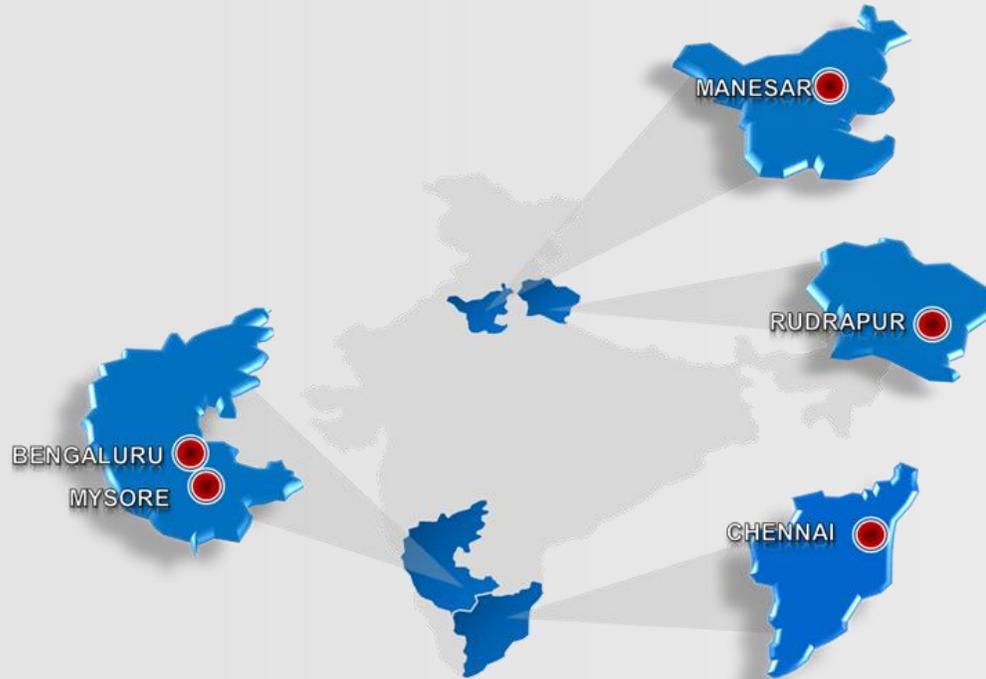
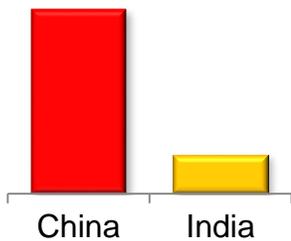
Building For the Future – India

The next emerging mega market

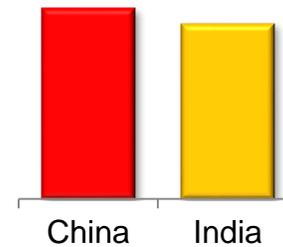
Fatalities per 100,000 vehicles



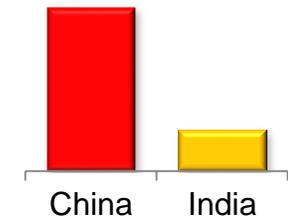
Vehicles per 1,000 people



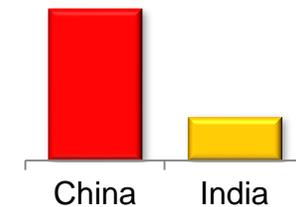
Population



GDP/Capita



CPV (\$)



Source: UN, IHS, Autoliv internal

Building For the Future – India

Established 1994, No 1 position with exposure to growth OEMs

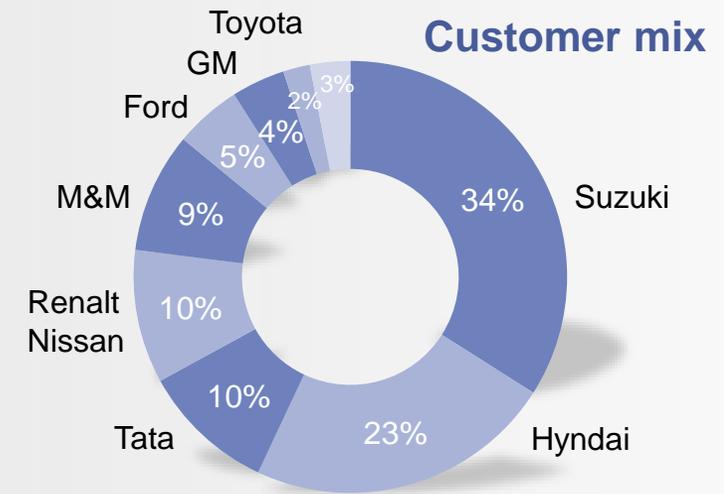
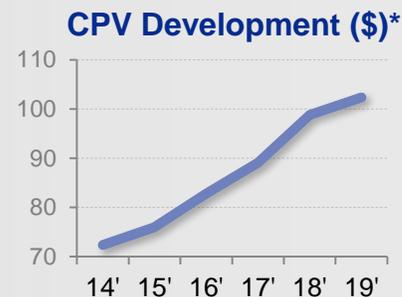
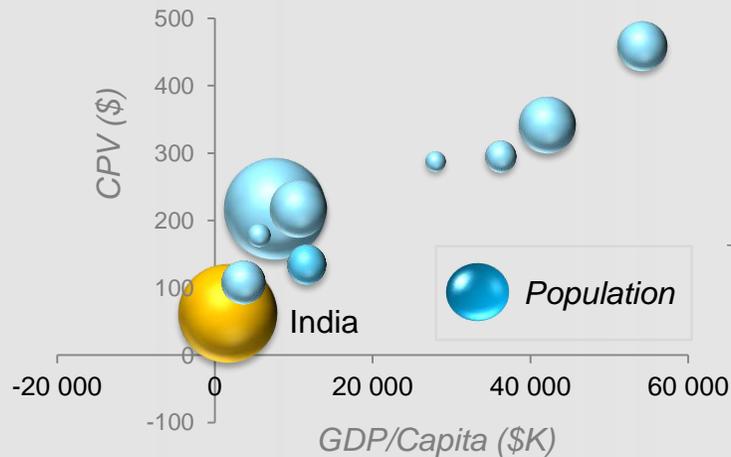


- **Advanced facilities in place**

- India Technical Center/Global Technical Services Center

- **Positioned for growth**

- Supported by expanding LVP market and growing CPV
- 39% market share with balanced exposure to leading local and global OEMs



Source: UN, IHS, Autoliv internal

Summary

Continue passive safety market leadership into the future

- **Growing faster than the market**
 - Leverage strong position in growth markets
 - Incremental innovation of Passive features in concert with Active Safety in developed markets
- **Benefit from alignment, global scale & efficiency**
 - Benefits of increased focus through new operating model
 - Execution of 1P1P throughout organization
- **Sustainable growth on solid Quality foundation**

Thank you!



Autoliv

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

and prevent ten times
as many severe injuries