



Teleconference

2nd Quarter Financial Earnings
July 23, 2010



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Safe Harbor Statement *

This report contains statements that are not historical facts but rather forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (PSLRA). All such statements are based upon our current expectations and various assumptions, and apply only as of the date of this report. Our expectations and beliefs are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that forward-looking statements will materialize or prove to be correct. Because such statements involve risks and uncertainties, the outcome could differ materially from those set out in the statements. For a summary of such risk factors, please refer to our latest 10-K and 10-Q filed with the SEC. Except for our ongoing obligation to disclose information under law, we undertake no obligation to update publicity any forward-looking statements whether as a result of new information or future events. For any forward-looking statements contained in this or any other document, we claim the protection of the safe harbor for forward-looking statements contained in the PSLRA.

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

Staying Ahead of the Curve

- Strategy Execution continues

- **Exceptional growth and market share gains**

- Outperforming LVP recovery and favorable platform mix
- Acquisitions

- **Financial Leadership**

- Record margins and strong cash flow due to action program
- Reinstated dividend

- **Technology Leadership**

- Accelerated efforts in small car and active safety
- Increasing customer support in LCC

🚀 Well positioned to capitalize on future market opportunities

Q2'10 Overview

- new all time highs



* (US \$ Mil's unless specified)

Sales	\$1,802	2nd best Q2	
Gross Profit	\$412	}	
Gross Margin	22.9%		
EBIT	\$229		
EBIT Margin	12.7%		
EBT	\$206		Best ever
Net Income	\$147		
Return on Capital Employed	30%		
Return on Equity	23%	}	
EPS	\$1.60		
Cash from Operations	\$251	2nd best ever	

🚦 Record performance

(*) US GAAP reported

Q2'10 Overview

- cost structure and acquisitions contribute to improvement



* (US \$ Mil's unless specified)	2010	2008	Change vs. 2008
LVP run rate (mil's)	70.7	71.7	(1%)
Sales	\$1,802	\$1,908	(6%)
Gross Profit	\$412 22.9%	\$372 19.5%	+ 11%
SGA	\$82 4.5%	\$102 5.3%	(20%)
RDE	\$94 5.2%	\$110 5.8%	(15%)
EBIT	\$229 12.7%	\$148 7.8%	+ 55%
EPS	\$1.60	\$1.24	+ 29%
ROCE ***	30%	16%	+14pp
ROE ***	23%	15%	+8pp
Free Cash flow **	\$204	\$86	+ 136%

🚦 55% higher profit despite 6% lower sales and 1% lower LVP run rate

(* US GAAP reported, (**) Non-US GAAP, (***) Return on Capital Employed, Return on Equity

Cash Flow

- Exceptional cash flow

(US \$ Mil's unless specified)	2010 Q2	2009 Q2	2008 Q2	2009 FY	2008 FY	2007 FY
Net Income	147	(21)	93	13	172	296
Depreciation & Amortization	71	79	86	314	347	321
Other non-cash items	10	(3)	(6)	(42)	22	(5)
Change in operating WC	23	72	(14)	207	73	169
Cash from operations	251	127	159	492	614	781
CapEx, net	(47)	(32)	(72)	(130)	(279)	(314)
Free cash flow (*)	204	95	87	362	335	467

🎯 2nd best quarter ever cash from operations

(*) Non US GAAP and restated for FASB 160

Staying Ahead of the Curve

- Improving growth, profitability and shareholder returns

■ Uses of Cash in 2010

H1

- Further expansion in China and India ~ \$ 6M
 - Acquisitions (mainly Delphi) ~ \$ 87M
 - Norma minority interest ~ \$ 50M
 - Equity unit exchange ~ \$ 8M
 - Restructuring payments ~ \$ 36M
 - R&D investments in Active Safety ~ \$ 15M
- ~ \$202M**

🚫 Q2 dividend declared is 30 cents/share ~ \$26M payout in Q3

Light Vehicle Production

- 2nd Quarter

Units in millions	2008	2009	2010	Change vs. '09	ALV Organic Sales Growth vs. '09
NAFTA	3.5	1.8	3.1	73%	82%
- Domestic*	2.1	0.9	1.8	96%	
- New Domestic	1.4	0.9	1.3	47%	
Europe	5.9	4.2	4.8	13%	13%
- WEU	4.2	3.0	3.4	12%	
- EEU	1.7	1.2	1.4	18%	
Japan	2.7	1.6	2.1	31%	80%
Total Triad	12.1	7.6	10.0	31%	
Rest of World	5.8	6.0	7.7	27%	56%
Total Global	17.9	13.6	17.7	29%	40%

🚗 Q2 LVP run rate ~ 70.7M vehicles, similar Q1 2010 run rate

Source: IHS (CSM) @ July 16, 2010 (*) GM, Ford, Chrysler

Autoliv Production**

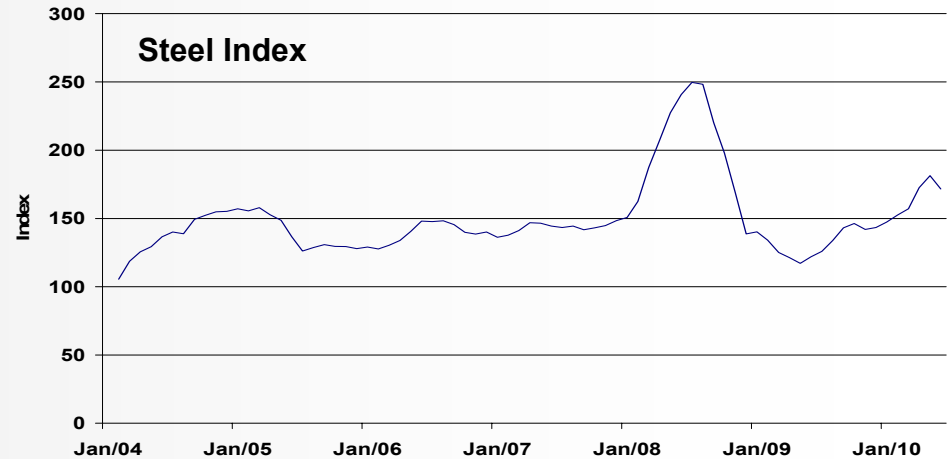
- 2nd Quarter

Units in Millions	2010	Change vs.'09
Seatbelts	32.3	48%
- Pretensioners (where of)	12.9	49%
Frontal airbags (excl. knee)	7.3	66%
Side Airbags		
- Chest (Thorax)	7.0	50%
- Head (Curtain)	7.7	71%
Steering Wheels	3.1	76%
Electronic Control Units	3.0	54%
- LVP* TRIAD	10.0	31%
- LVP GLOBAL	17.7	29%

(*) Light Vehicle Production, Source IHS (CSM) July 16, 2010, (**) Includes Acquisitions

Commodity Price Trends

- as expected during Q2



Commodity (US\$ Mil's)	Q1A	Q2A	Q3F	Q4F	FY10
Steel	(11)	(5)	7	7	(2)
Zinc	2	3	2	0	7
Aluminum	2	4	3	0	9
Magnesium	(1)	0	0	0	(1)
Plastic and yarn	0	0	1	2	3
Other	0	0	0	0	0
Total	(8)	2	13	9	16

⚡ H2 commodity increases mainly due to lag effect of supplier contracts

Light Vehicle Production

- 3rd Quarter

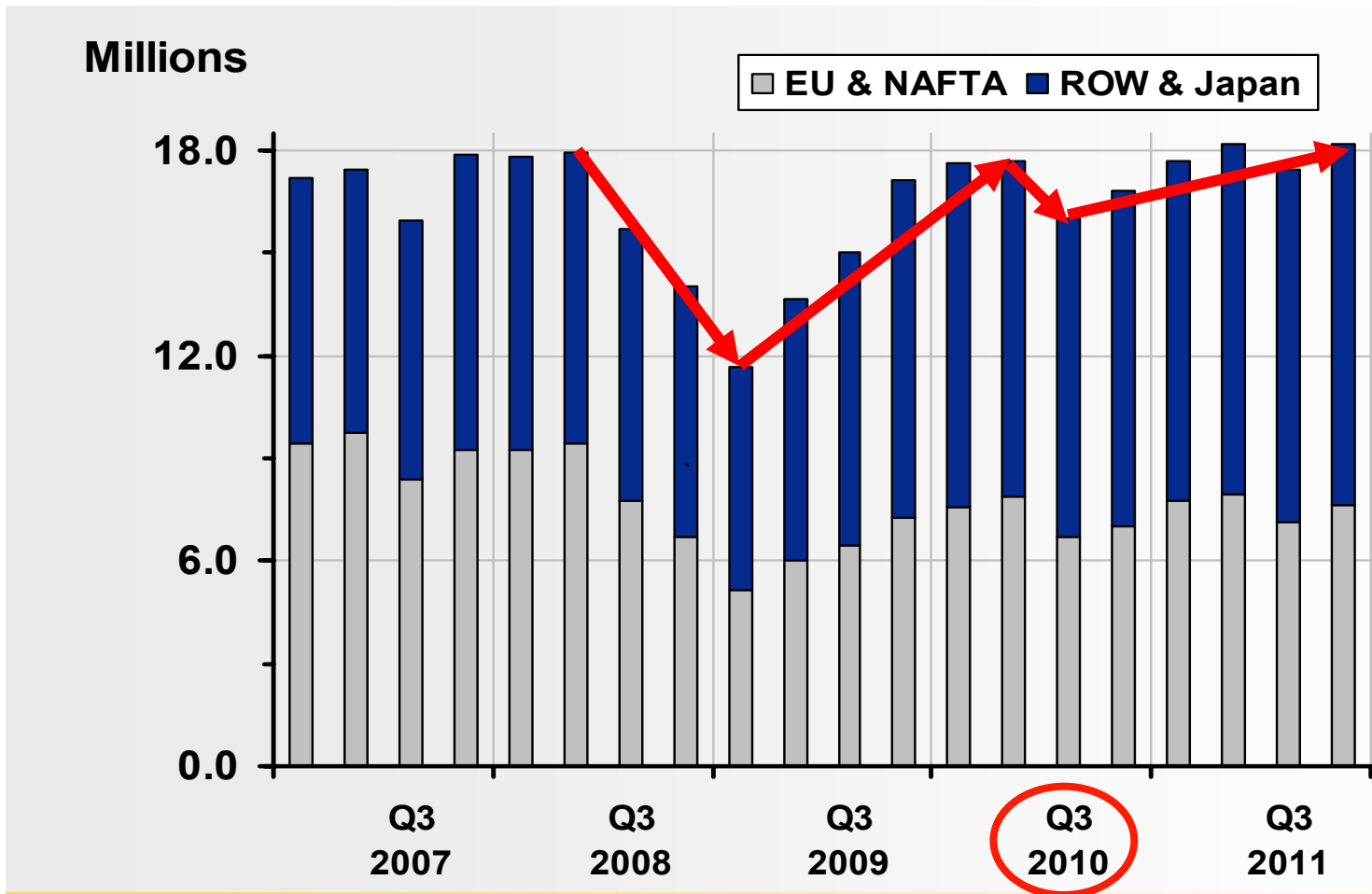
Units in millions	2008	2009	2010	Change vs. '09
NAFTA	3.0	2.3	2.9	23%
- Domestic*	1.7	1.3	1.7	27%
- New Domestic	1.3	1.0	1.2	16%
Europe	4.8	4.1	3.8	(7%)
- WEU	3.3	3.0	2.7	(10%)
- EEU	1.5	1.1	1.1	3%
Japan	2.6	2.0	2.3	14%
Total Triad	10.4	8.4	9.0	6%
Rest of World	5.3	6.6	7.0	7%
Total Global	15.7	15.0	16.0	7%

⊕ ALV organics sales growth at least 20% in Q3

Source: IHS (CSM) @ July 16, 2010 (*) GM, Ford, Chrysler

Light Vehicle Production

- Global 2007 – 2011 by quarter



🚗 FY2010 approaching record LVP level of 2007

Source: IHS (CSM) @ July16, 2010

Financial Outlook

<u>Sales</u>	<u>Q3 2010</u>	<u>FY2010**</u>
Organic	≥ 20%	~ 28%
Acquisitions	~ 9%	~ 9%
Fx*	(~ 6%)	(~ 3%)
Consolidated	close to 25%	close to 35%
EBIT Margin	≥ 10%	> 11%

(*) 1 Eur = 1.22 US\$, 92 JPY = 1 US\$

(**) IHS (CSM) Forecast @ July 16, 2010 for the 4th quarter

🚦 FY2010 indication points to record sales and EBIT



Thank you!



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