



Autoliv Expands Seatbelt Webbing in China

(Stockholm, October 31, 2005) – – – Autoliv, the worldwide leader in automotive safety systems, will expand its seatbelt webbing capacity in Shanghai, China, and create one of the largest plants for seatbelt webbing in the world. As part of the plans, Autoliv will close its webbing plant in Australia and merge the operations with the operations in China. This will save \$2 million annually starting in 2007.

Total investments are estimated to amount to \$10 million, in a first phase. This includes the production lines from Autoliv's wholly owned company in Australia that will be moved to a newly formed company in Shanghai, in which Autoliv will hold 60% of the shares. The production lines in the existing 40% joint venture in Shanghai will also be transferred to the new company. As a result of this transaction, which is subject to governmental approval, Autoliv will increase its interest in the Chinese webbing operations from currently 40% to 60%.

After the first investment phase, the Shanghai plant will have an annual weaving capacity of 50 million meters. During the second phase, over the next five years, the capacity is expected to double to 100 million meters, representing just over 10% of the industry's existing global webbing production. This will make the Shanghai facility one of the largest plants in the world for seatbelt webbing. The Chinese facility will supply both local Autoliv seat belt plants as well as a significant portion of webbing demand to other Autoliv seatbelt plants in Asia.

The decision to phase out the Australian webbing plant follows Autoliv's earlier announcement in June 2005 to downsize its seatbelt assembly plant in Australia and move the production primarily to Shanghai. In total, the number of employees in Australia will be reduced by 565 from 900 at the beginning of this year.

- "By moving production to China we will not only reduce cost but also get closer to the rapidly expanding demand in China for seatbelts and seatbelt webbing", explained Gunnar Dahlén, President of Autoliv Asia Pacific Ltd.
- "At the same time, these measures will ensure that we remain a strong and cost competitive supplier partner for the Australian vehicle industry", he added.

In total, Autoliv now has six plants for seatbelt webbing. This accounts for a third of the global production of webbing of nearly one billion meters. Autoliv's largest plants are located in the Netherlands for the European market and in Canada for the North American market. Autoliv also has webbing plants in Brazil and Malaysia, in addition to the plants in China and Australia. A new plant is also under construction in Romania.

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Autoliv Inc. develops and manufactures automotive safety systems for all major automotive manufacturers in the world. Together with its joint ventures Autoliv has 80 facilities with 40,000 employees in 30 vehicle-producing countries. In addition, the company has development and engineering centers in six countries around the world, including 20 test tracks, more than any other automotive safety supplier. Sales in 2004 amounted to US \$6.1 billion. The Company's shares are listed on the New York Stock Exchange (NYSE: ALV) and its Swedish Depository Receipts on the OM Stockholm Stock Exchange (SSE: ALIV).