

## P R E S S   R E L E A S E

### Autoliv Comments on Volumes and Earnings Expectations

(Stockholm, December 11, 2000) -- Autoliv Inc. (NYSE: ALV and SSE: ALIV), the worldwide leader in automotive safety systems, announced today that it expects earnings per share for the current fiscal year and 2001 to be below current average markets estimates of \$1.95 and \$2.15, respectively.

Some of the negative trends that were mentioned on October 19 in the Company's report for the third quarter have continued. First and foremost, the production of light vehicles in Europe, and especially in North America, has declined at a faster rate than originally estimated. For Autoliv this trend has been aggravated by its customer mix. Chrysler, for instance, recently released that they expect their production in this quarter to be down by 22% versus last year's fourth quarter. This trend will probably continue into the next year, when GM, for instance, plans to reduce its first quarter volumes in North America by 14% and Ford by 10%. The estimated shortfall in Autoliv's North American sales during the fourth quarter alone, will reduce earnings per share for the quarter by approximately 12 cents compared with Autoliv's forecast at the beginning of the quarter.

In addition, higher raw material prices have broken the favorable trend of lower component purchase costs that Autoliv achieved during the year's first six months.

Due to fluctuations in customer demand and a record number of program launches during the fall, Autoliv's production costs have remained on a higher level than usual for a fourth quarter.

Based on current market conditions and other current factors, the earnings per share for 2000 is expected to total between \$1.65 and \$1.75, compared to \$1.95 for 1999. In addition to the above-mentioned North American volume impact, 16 cents of the reduction is due to currency exchange effects (including both translation and transaction effects) and approximately 12 cents due to higher-than-expected material costs. During the fourth quarter the decline of the Euro against the dollar is estimated to be 17% compared to 12% during the first nine months of the year.

During 2001 the global light vehicle production is expected to decline, at least during the first six months. Assuming that the current EUR/USD exchange rate prevails through the next year, Autoliv's sales are therefore expected to show only a modest growth, in US dollars, despite an increase in shipments and market share gains.

To support Autoliv's rapidly growing number of contracts for new business, the company's R&D expenditures will increase during 2001. Given the initially high raw material prices, profit margins are likely to be under similar pressure as during this year, but with higher pressure in the first part of the year. Despite this, Autoliv expects net income to grow during the second half, resulting in an earnings per share for the full year at the same level as expected for this year.

Following the record order increase in 1999, Autoliv's order intake has this year continued to grow at a double-digit rate (as reported in US dollars) and the Company has recorded a number of break-through orders, such as its first contract for rollover sensors in North America and its first electronics order from BMW. Autoliv has also just received a major contract for its new occupant sensing system for advanced airbags. As a result, Autoliv's total sales of sensors and electronics are expected to double within three years.

Currently, Autoliv has obtained contracts for more than 100 vehicle programs for its side-impact head protection products. These new contracts lead to higher R&D expenditures short-term, but they will also generate a substantial increase in sales during several years.

"We will continue to move labor intensive production to low labor-cost countries", declared Autoliv's CEO Mr. Lars Westerberg and continued by saying that "we will speed up standardization and better leverage our purchase power that our expanding production volumes provide. We will also cut overhead costs in several operations. As a result of these actions and our large number of new business contracts, we are confident that Autoliv will emerge stronger than before".

Autoliv will report its fourth quarter 2000 results on January 25, 2001.

*Statements in this release that are not statements of historical fact may be forward-looking statements, which involve risks and uncertainties, including - but not limited to - continued fluctuation of foreign currencies, fluctuations in vehicle production schedules for which the company is a supplier, continued uncertainty in program awards and performance, the financial results of companies in which Autoliv has made technology investments, and other factors discussed in Autoliv's filings with the Securities and Exchange Commission.*

#### **Inquiries:**

Lars Westerberg, President & CEO, Autoliv Inc., Tel +46 (8) 58 72 06 20

Mats Ödman, Dir. Corp. Com., Tel. +46 (8) 58 72 06 23, or mob. +46 (708) 32 09 33

Patrick Jarboe, Director Investor Relations, Tel. +1 (248) 475-0407

---

Autoliv Inc.  
Klarabergsviadukten 70, Sec. E  
P. O. Box 703 81, SE-107 24 Stockholm, Sweden  
Tel +46 (8) 58 72 06 23, Fax +46 (8) 24 44 79  
e-mail: mats.odman@autoliv.com

---

Autoliv North America, Inc.  
320 Pacific Drive  
Auburn Hills, MI 48326-1569, USA  
Tel +1 (248) 475-0407, Fax +1 (248) 475-9838  
e-mail: patrick.jarboe@autolivasp.com