

P R E S S R E L E A S E

Autoliv Continues Its Consolidation Strategy

(Stockholm – August 8, 2007)—Autoliv North America, a division of Autoliv Inc., the world’s largest supplier of automotive safety systems, today announced plans to close its Madisonville Kentucky plant, which produces seat belt products for the North American market. Current operations at this facility will be moved to existing plants throughout North America. The closure will impact roughly 220 associates currently employed at the Madisonville plant.

Earlier this year, Autoliv announced plans to move high-volume seat belt production lines from the Madisonville plant to the Company’s seat belt plants in Mexico to take advantage of lower costs for labor-intensive operations. Today’s announcement extends this planned phase-out to encompass the plant’s cross-dock operations and its low-volume service parts production.

“After examining existing open floor space in other facilities, and our competitive position, we regrettably have concluded that we must close the Madisonville facility,” said Wendell Lane, Vice President of Seat Belt Operations for Autoliv North America. “The phase out is a difficult but necessary step in our overall plan to stay competitive and create value for our customers and shareholders. We will work with all of the Autoliv employees affected by this decision to help them through the transition and closure.”

Although the original plan for phasing out high-volume production lines was scheduled to take 18 months, the Company shortened this timeframe to 12 months in order to more effectively balance rapid shifts in technology and customer mix with aggressive cost cutting and reduced spending. Service parts for seat belt products will be consolidated with airbag service production in an existing Autoliv plant in Utah, and Autoliv will restructure how it consolidates and distributes component parts, eliminating the need for the current distribution center.

The Madisonville plant, which began production in 2001, currently manufactures a variety of serial production and service production seat belts for the automotive industry. The gradual phase-out of the facility allows an orderly transition time for Autoliv to work with displaced employees.

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