

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

Autoliv Starts Production in Korea

(Stockholm, November 8, 2000) – – Autoliv Inc. (NYSE: ALV) – the worldwide leader in automotive safety systems – has established an agreement to form a joint venture with the leading Korean auto parts supplier Mando Corporation.

Korea is the only major carproducing country where the Swedish-American safety supplier has not had manufacturing of its own. Instead, the Autoliv products sold in Korea have been exported from the United States, Australia and Germany, or produced locally by Mando and other licensees.

The new joint venture, *Autoliv Mando Corporation*, in which Autoliv will have 65% of the shares, is expected to reach an annual sales in a few years' time of approximately \$200 million, almost 5% of Autoliv's current sales.

Korea is the world's fifth largest car-producing nation in the world. This year, the country is expected to produce more than three million vehicles, with Hyundai being the largest producer, followed by KIA, Daewoo, Ssangyong and Samsung. All the companies are Autoliv or Mando customers.

The new joint venture is expected to have approximately 35% of the Korean market for seat belts, airbags and other safety related products. Currently, Autoliv's export sales to Korea amount to approximately \$100 million, while the combined sales of its Korean licensees total approximately \$50 million.

At the start, sales from Autoliv Mando Corporation will only include Mando's sales of airbags licensed from Autoliv, and therefore amount to just over \$30 million. But over the next five years, approximately \$200 million in annual sales will be reached as the main portion of new contracts that Autoliv has secured in Korea will be transferred to the new Company.

“Autoliv alone has now secured supply contracts with an estimated sales of over \$150 million in Korea, in addition to the business through our licensees. At the same time, we see a rapid recovery in the country's car production after the Asian Crises in 1998. This is therefore the right time to set up local production”, declared Autoliv's President and CEO Lars Westerberg.

Autoliv



“With the new company we should be able to offer the Korean car manufacturers smart airbag systems, rollover protection systems and other advanced technologies and designs in automotive safety that we have developed recently as a result of our extensive research and development in Europe and the United States. Consequently, we will become an even better partner for the Korean car manufacturers and other vehicle manufacturers with operations in Korea or with plans to establish operations there”, Lars Westerberg concluded.

The new company will have its headquarter and production facility in the Seoul area. Operations are expected to start early next year.

Mando Corporation has total sales of approximately \$1 billion with 3,250 employees. The company is specialized in internationally competitive state-of-the-art chassis components and systems, such as brake systems, suspension systems and steering systems.

Autoliv Inc. develops and manufactures automotive safety systems for all major automotive manufacturers in the world. The company has 60 wholly-owned subsidiaries and joint ventures with 27,000 employees in 29 vehicle-producing countries. In addition, the company has eight technical centers around the world, including 19 test tracks, more than any other automotive safety supplier. Sales in 1999 amounted to close to US \$3.8 billion and net income US \$200 million.

Inquiries:

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

Patrick Jarboe, Marketing Director Autoliv North America, 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) 411 70 25
e-mail: mats.odman@autoliv.com

Autoliv North America
1320 Pacific Drive
Auburn Hills, MI 48326-1569, USA
Tel +1 (248) 475-0407, Fax +1 (248) 475-9838
e-mail: patrick.jarboe@autolivasp.com