



## **Autoliv Plant Destroyed by Fire – Avoided stop of automobile production**

**(Stockholm, January 4, 2010) The building of one of the major steering wheel plants for the European automobile industry was completely destroyed due to a fire in connection with repair work over the Christmas Holidays. Fortunately, there were no human injuries or casualties, but manufacturing had to be rapidly moved to other plants before vehicle manufacturers re-start their vehicle assembly lines this week.**

On December 26, the steering wheel plant in El Nadhour, Tunisia, of Autoliv Inc. the global leader in automotive safety caught on fire apparently due to welding work on the building during the Christmas Holiday shutdown. The plant manufactures steering wheels for more than 25 different vehicle models and accounts for approximately 12% of the steering wheels to the European auto industry. The products are delivered according to the just in time principle, and the steering wheels are specifically manufactured to each vehicle model using model-specific tools.

The manufacturing machines were destroyed by the fire. However, virtually all critical tools were extracted out of the rubble after the fire and saved thanks to swift and resolute actions of the Autoliv employees. Most of the salvaged tools for moulding and foaming (i.e. more than 100 tools) have been shipped to Autoliv's main European plant for steering wheels in Poitiers, France, where there were available machines and the right expertise. After performing final tests over the past weekend, these tools and machines are now in full-scale production, i.e. in two or three shifts. Some 30 employees in Tunisia will be temporarily transferred to Poitiers to support and cooperate with their French steering wheel colleagues.

In a few cases where tools and equipment could not be salvaged, or saved in time, Autoliv has developed other back-up solutions, including ordering of new equipment which will be delivered in time to secure uninterrupted deliveries of steering wheels. Temporarily idled machines were also brought back in production and capacity was increased by installing extra shifts. In addition, if the steering wheel to a certain model is also being produced at another Autoliv plant, these plants have been working extra during the New Year holiday, as needed.

The leather-wrapping process which is very labor intensive will remain in El Nadhour but in a rented building utilizing the existing workforce. These sewing operations employ 700 people.

Our teams in France and Tunisia have done a fantastic job, in many cases working around the clock since the incident, to mobilize and ramp up capacity at our other European steering wheel factories stated Jan Carlson, President and CEO of Autoliv. Our recovery plan is on track and we are committed to deliver all products in time to our customers, despite the fire added Jan Carlson.

We are most appreciative of our customers, government authorities and of course our employees all of whom have worked together to solve this very challenging situation concluded Mr Carlson.

Autoliv has already commenced plans to reconstruct the steering wheel factory in Tunisia which is expected to be fully functional by the summer this year.

Autoliv has insurance that is expected to cover all material costs for the fire.

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#### *About Autoliv*

*Autoliv Inc., the worldwide leader in automotive safety systems, develops and manufactures automotive safety systems for all major automotive manufacturers in the world. Together with its joint ventures, Autoliv has 80 facilities with approximately 36,000 employees in 28 vehicle-producing countries. In addition, the Company has technical centers in eleven countries around the world, with 21 test tracks, more than any other automotive safety supplier. Sales in 2008 amounted to US \$6.5 billion. The Company's shares are listed on the New York Stock Exchange (NYSE: ALV) and its Swedish Depository Receipts on the OMX Nordic Exchange in Stockholm (ALIV sdb). For more information about Autoliv, please visit our company website at [www.autoliv.com](http://www.autoliv.com).*

#### *Safe Harbor Statement*

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