

Plaintiff (“plaintiff”) alleges the following based upon the investigation of plaintiff’s counsel, which included a review of United States Securities and Exchange Commission (“SEC”) filings by Autoliv, Inc. (“Autoliv” or the “Company”), as well as regulatory filings and reports, securities analysts’ reports and advisories about the Company, press releases and other public statements issued by the Company, and media reports about the Company. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a securities class action on behalf of purchasers of the common stock of Autoliv between October 26, 2010 and August 1, 2011, inclusive (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Stockholm, Sweden-based Autoliv develops, markets and manufactures automotive safety products, including airbags, seatbelts, safety electronics, steering wheels, anti-whiplash systems, seat components and integrated child seats as well as active safety systems such as night vision, vision and radar systems.

3. Prior to and during the Class Period, Autoliv, which proclaims that “[c]orporate [s]ocial [r]esponsibility . . . comes naturally to Autoliv; it is what our business has always been about,” engaged in wrongful anti-competitive business practices with other automotive industry suppliers. These practices were designed to control the market prices of the products sold by Autoliv and others. As a result, Autoliv reported quarter after quarter of “record” gross margins and earnings during the Class Period, causing artificial inflation in its stock price and seemingly justifying the

payment of millions of dollars worth of salary increases and non-equity incentive awards to the Individual Defendants (defined below).

4. By February 2011, the United States Department of Justice (“DOJ”) began investigating Autoliv’s anti-competitive practices and potential antitrust violations. Between the 7th and 9th of June 2011, the antitrust authorities of the European Commission (the “EC”) also raided Autoliv’s German subsidiary seeking evidence of Autoliv’s anti-competitive misconduct. As the market assimilated the news of the EC raid disclosed on July 8, 2011, followed closely by statements during the Company’s July 25, 2011 second quarter (“2Q”) 2011 earnings conference that the Company had already spent upwards of \$4 million on legal fees and could no longer predict what impact the antitrust investigations would have on its previously reported and future gross margins and earnings, the price of Autoliv stock plummeted, closing below \$62 per share on August 2, 2011, as stock analysts attempted to sift through what defendants had disclosed, investigate and account for issues defendants refused to discuss, and to evaluate the impact this had on the Company’s valuation.

5. On June 6, 2012, the DOJ announced that Autoliv had agreed to plead guilty to price fixing of automobile parts installed in U.S. cars and to pay a \$14.5 million criminal fine. In so doing, Autolive admitted to its role in a conspiracy to fix prices of seatbelts, airbags and steering wheels installed in U.S. cars to one automobile manufacturer and a separate conspiracy to fix prices of seatbelts to another car manufacturer. According to documents filed in court by the DOJ, Autoliv’s involvement in the conspiracy to fix prices of seatbelts, airbags and steering wheels lasted from at least as early as March 2006 until at least February 2011, and its involvement in the second conspiracy to fix prices of seatbelts lasted from at least as early as May 2008 to at least February 2011. The DOJ found that Autoliv and its co-conspirators carried out the conspiracies by agreeing,

during meetings and conversations, to allocate the supply of seatbelts, airbags and steering wheels on a model-by-model basis. The DOJ also said that Autoliv and the co-conspirators sold the safety parts at issue at non-competitive prices to automakers in the United States and elsewhere.

6. These known, but covert, illegal practices existed over an extended time frame and subjected the Company to material undisclosed risks, including monetary and reputational risks. These undisclosed risks are of particular significance to Autoliv since it is heavily dependent on a relatively small number of automobile manufacturers. In fact, Autoliv's five largest customers accounted for 53% of its consolidated 2010 sales, the loss of any of which would result in a material adverse effect on the Company's business.

7. Furthermore, Autoliv was named as a defendant in twelve antitrust class actions filed in the U.S. and Canada. According to one analyst, Autoliv now faces upwards of \$700 million in potential criminal fines and penalties, civil liability to antitrust and securities regulators around the world, and judgments in private lawsuits.

JURISDICTION AND VENUE

8. The claims asserted herein arise under and pursuant to §§10(b) and 20(a) of the Exchange Act [15 U.S.C. §§78j(b) and 78t(a)] and Rule 10b-5 promulgated thereunder by the SEC [17 C.F.R. §240.10b-5].

9. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and §27 of the Exchange Act.

10. Venue is proper in this District pursuant to §27 of the Exchange Act and 28 U.S.C. §1391(b). Many of the acts charged herein, including the preparation and dissemination of materially false and misleading information, occurred in substantial part in this District.

11. In connection with the acts alleged in this Complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the New York Stock Exchange (“NYSE”), a national securities exchange located in this District.

PARTIES

12. Plaintiff, as set forth in the accompanying certification and incorporated by reference herein, purchased the common stock of Autoliv during the Class Period and has been damaged thereby.

13. Defendant Autoliv describes itself as a worldwide leader in automotive safety, servicing leading automobile manufacturers worldwide from 80 facilities in 29 countries. The Company, which is incorporated in the State of Delaware, maintains its corporate headquarters in Stockholm, Sweden.

14. Defendant Jan Carlson (“Carlson”), at all relevant times, served as President, Chief Executive Officer and a director of Autoliv.

15. Defendant Mats Wallin (“Wallin”), at all relevant times, served as Vice President and Chief Financial Officer of Autoliv.

16. Defendants Carlson and Wallin are collectively referred to herein as the “Individual Defendants.”

17. During the Class Period, the Individual Defendants, as senior executive officers and/or directors of Autoliv, were privy to confidential and proprietary information concerning Autoliv, its operations, finances, financial condition and present and future business prospects. The Individual Defendants also had access to material adverse non-public information concerning

Autoliv, as discussed in detail below. Because of their positions with Autoliv, the Individual Defendants had access to non-public information about its business, finances, products, markets and present and future business prospects via internal corporate documents, conversations and connections with other corporate officers and employees, attendance at management and/or board of directors meetings and committees thereof and via reports and other information provided to them in connection therewith. Because of their possession of such information, the Individual Defendants knew or recklessly disregarded that the adverse facts specified herein had not been disclosed to, and were being concealed from, the investing public.

18. The Individual Defendants are liable as direct participants in the wrongs complained of herein. In addition, the Individual Defendants, by reason of their status as senior executive officers and/or directors, were “controlling persons” within the meaning of §20(a) of the Exchange Act and had the power and influence to cause the Company to engage in the unlawful conduct complained of herein. Because of their positions of control, the Individual Defendants were able to and did, directly or indirectly, control the conduct of Autoliv’s business.

19. The Individual Defendants, because of their positions with the Company, controlled and/or possessed the authority to control the contents of its reports, press releases and presentations to securities analysts and through them, to the investing public. The Individual Defendants were provided with copies of the Company’s reports and press releases alleged herein to be misleading, prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Thus, the Individual Defendants had the opportunity to commit the fraudulent acts alleged herein.

20. As senior executive officers and/or directors and as controlling persons of a publicly traded company whose common stock was, and is, registered with the NYSE and governed by the federal securities laws, the Individual Defendants had a duty to promptly disseminate accurate and truthful information with respect to Autoliv's financial condition and performance, growth, operations, financial statements, business, products, markets, management, earnings and present and future business prospects, and to correct any previously issued statements that had become materially misleading or untrue, so that the market price of Autoliv common stock would be based upon truthful and accurate information. The Individual Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

21. The Individual Defendants are liable as participants in a fraudulent scheme and course of conduct that operated as a fraud or deceit on purchasers of Autoliv common stock by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme: (i) deceived the investing public regarding Autoliv's business, operations and management and the intrinsic value of Autoliv common stock; and (ii) allowed the Individual Defendants and certain Company insiders to collectively sell their personally held Autoliv common stock for proceeds in excess of \$5.5 million; and (iii) caused plaintiff and members of the Class to purchase Autoliv common stock at artificially inflated prices.

CLASS ACTION ALLEGATIONS

22. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all those who purchased the common stock of Autoliv between October 26, 2010 and August 1, 2011, inclusive, and who were damaged thereby (the "Class"). Excluded from the Class are defendants and their families, the officers and

directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

23. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Autoliv common stock was actively traded on the NYSE. While the exact number of Class members is unknown to plaintiff at this time and can only be ascertained through appropriate discovery, plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Autoliv or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

24. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by defendants' wrongful conduct in violation of federal law complained of herein.

25. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class action and securities litigation.

26. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by defendants' acts as alleged herein;

(b) whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business and operations of Autoliv;

(c) whether the price of Autoliv common stock was artificially inflated during the Class Period; and

(d) to what extent the members of the Class have sustained damages and the proper measure of damages.

27. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

Materially False and Misleading Statements Issued During the Class Period

28. The Class Period begins on October 26, 2010. On that date, Autoliv issued a press release announcing its financial results for its 3Q 2010, stating that “[f]or the three-month period ended September 30, Autoliv Inc. – the worldwide leader in automotive safety systems – reported its *best third quarter ever.*” For 3Q 2010, the Company reported sales of \$1.741 billion and net income of \$141 million, or \$1.51 per diluted common share. According to the press release, “[g]ross margin amounted to 21.5% and operating margin to 11.6%.” As to guidance for the Company’s 4Q 2010 and fiscal year (“FY”) 2010, then one-third underway, the press release stated in pertinent part as follows:

For the fourth quarter of 2010, the Company expects its consolidated net sales to rise by approximately 15% compared to the same quarter in 2009, with the organic sales portion growing by nearly 12%. This would result in a consolidated sales increase of approximately 40% for the full year with organic sales growing by at least 30%. *An operating margin of approximately 12% is expected for both the fourth quarter and the full year 2010.*

29. Following the Company's 3Q 2010 earnings announcement, later in the day on October 26, 2010, Autoliv held a conference call with analysts and investors to discuss the Company's earnings and operations. During the conference call, defendants made positive statements about the Company and its earnings and outlook. For example, defendant Carlson stated defendants were "very proud of [Autoliv's] third quarter performance" and having "exceeded [its] sales and margin guidance," attributing that "achievement . . . to the continued dedication and teamwork of the entire Autoliv team." Defendant Carlson also discussed pricing stating in pertinent part as follows:

Rod Lache - *Deutsche Bank - Analyst*

And also just as a follow-up, is there anything – you commented already on commodities being fairly benign. Is there anything you see on the horizon that would amount to some dilution to the margins that you've been experiencing?

In other words, is there any reason to expect that 2011 margins wouldn't be higher than the margins that you're seeing in 2010, just given the operating leverage and your expectation of positive platform and production growth?

Jan Carlson - *Autoliv - President & CEO*

Well, let us to come back to the margins for '11 after quarter four. What we have said so far is that we will continue to deliver double-digit margin if the current conditions will prevail, and if you have no major deviations in the environment from today's situation.

Rod Lache - *Deutsche Bank - Analyst*

But you can't point to anything in terms of your costs or investments that would cause some increased dilution to margins that you see in the intermediate term?

Jan Carlson - *Autoliv - President & CEO*

Not at the time being, we cannot see that. We have said that already in the last earnings call that we will continue investing in China for further capacity and we would also monitor the relation indirect to direct people based on the market growth

and the expansion in the market. But not really any [sic] significant I can point to today, [not some] I would highlight, no.

* * *

John Buckland - *MainFirst - Analyst*

. . . When you answered a question referring to the margins, you basically said the environment is not changing and, therefore, the double-digit margins will remain in place, as far as you can see. But in your assessment of future business plans, surely you do look at the risks of things changing. And I wondered if you could just talk about what you see the main risks are, if you're basically saying the environment's going to remain good for the next year or so.

* * *

Jan Carlson - *Autoliv - President & CEO*

If you look on the margin development in ongoing, there is, of course, wage increases; there are price decreases; then there are material fluctuations. ***We have been able, so far, to compensate the increases in the normal environment with our productivity***, that has been about 5% normally year over year. ***We have been able to offset the prices by decreasing the price on direct materials*** to be able to keep direct material on slightly above 50% level.

So there are, of course, variations. When I referred to the double-digit margin target, I'm saying any variation of what is outside the normal variation. We, of course, believe there is, and we always realize there is going to be changes and ups and downs here. So that, we understand.

30. That same day, on October 26, 2010, Autoliv filed its Form 10-Q for the quarter ended September 30, 2010 (the "2010 3Q Form 10-Q") with the SEC, which was signed by defendant Wallin, and represented, in part, that the financial statements contained therein, the Company's financial statements for the three and nine months ended September 30, 2010, including the Company's gross margins and earnings, were presented in conformity with generally accepted accounting principles in the United States ("GAAP"). The 2010 3Q Form 10-Q also included the following representations about the Company's disclosure and internal controls and defendants Carlson's and Wallin's certifications thereon:

(a) Evaluation of Disclosure Controls and Procedures

An evaluation has been carried out, under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective.

(b) Changes in Internal Control over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

* * *

I, [defendants Carlson and Wallin], certify that:

1. I have reviewed this report on Form 10-Q of AUTOLIV, INC.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its

consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

31. The above representations about the Company's internal and disclosure controls, and defendants Carlson's and Wallin's certifications thereon, were repeated, in all material respects, in the Forms 10-K and 10-Q that Autoliv filed with the SEC during the remainder of the Class Period.

32. Effective January 1, 2011, the Board of Directors of Autoliv (the "Board") amended and restated the Company's code of ethics that applies to its senior executive officers, including the Company's principal executive officer, principal financial officer and principal accounting officer

(the “Code of Conduct and Ethics for Senior Officers”). In a Current Report on Form 8-K filed with the SEC on January 5, 2011 announcing this amendment, Autoliv stated that “[t]he purposes of amending and restating the Company’s Code of Conduct and Ethics for Senior Officers were (i) conforming disclosure to other stated Company policies, (ii) generally updating and enhancing the awareness, overall readability, and (iii) clarifying and emphasizing key compliance areas of the Code of Conduct and Ethics for Senior Officers.” The Code of Conduct and Ethics for Senior Officers emphasized Autoliv’s purported strong “commit[ment] to complying with applicable laws and regulations and to operating in accordance with the highest standards of business conduct and [that Autoliv] views this as an integral part to the basic operation of the Company,” and that Autoliv is “dedicated to full and accurate financial disclosure in compliance with applicable laws, rules and regulations and to maintaining its books and records in accordance with applicable accounting policies, laws, rules and regulations.”

33. On February 1, 2011, Autoliv issued a press release announcing its financial results for its 4Q and FY 2010, again proclaiming that “[f]or the three-month period ended December 31, 2010, Autoliv Inc. – the worldwide leader in automotive safety systems – *once again reported record results.*” The press release announced that the Company’s revenues for the 4Q 2010 and year end 2010 respectively totaled \$1.907 billion and \$7.171 billion, and that its net income for such periods respectively totaled \$177 million and \$591 million. The press release also stated that “[g]ross margin amounted to 22.2% and operating margin to 12.7%.” Concerning the Company’s 1Q and FY 2011 guidance, the press release also stated in pertinent part as follows:

For the first quarter of 2011, the Company expects its consolidated net sales to rise by around 20% compared to the same quarter in 2010, with the organic sales portion growing by more than 10%. The current indication is that consolidated sales could increase by more than 10% for the full year 2011 with the organic sales portion

growing by around 6%. ***An operating margin of at least 11.5% is expected for both the first quarter and the full year.***

34. Following the Company's 4Q 2010 and year end earnings announcement, on February 1, 2010, Autoliv held a conference call with analysts and investors to discuss the Company's earnings and operations. During the conference call, defendant Carlson stated that Autoliv would "continue to generate superior margins, returns and cash flow by maintaining a strong balance sheet, flexibility, and of course, cost control." Responding to an "unidentified participant's" question as to what was defendant's "sense on [Autoliv's] long-term operating margin range now?"

Defendant Carlson responded:

What we have said is that we will continue to deliver double-digit margin as long as the current business conditions prevailed, and that is the light vehicle production forecast that we can see from IHS, that the commodity prices would not go more aggressive than what we have seen here, or when – and you have operated (inaudible) increases throughout the world.

Defendant Carlson also responded to another margin inquiry as to whether margins could deviate from guidance in pertinent part as follows:

David Leiker - *Robert W. Baird - Analyst*

Okay. And the margin number of 11.5%, you know, you're saying at least 11.5%. Obviously, volume and commodities are some swing factors on the upside of that. Are there any other items we should consider?

Jan Carlson - *Autoliv - President & CEO*

You should, of course, expect there are some savings coming off of our restructuring program. So – I mean, if you look into our impact and improvements and savings from the restructuring, you would expect around \$24 million plus 2011 versus 2010.

35. On February 8, 2011, the Company was served with a subpoena in connection with the DOJ's antitrust investigation.

36. On February 21, 2011, two members of the Autoliv Board, Sune Carlsson and S. Jay Stewart, each informed the Company that they were resigning from the Board effective as of the Company's 2011 Annual General Meeting of Shareholders. Though defendants disclosed in a Current Report on Form 8-K filed with the SEC on February 22, 2011 that the two directors had announced their resignations, defendants did not disclose in that Form 8-K or in the press release they issued that day announcing an 8% increase in the quarterly dividend to be paid to shareholders, that on February 8, 2011, the DOJ had served Autoliv with a subpoena in connection with its investigation into Autoliv's anti-competitive misconduct.

37. On February 23, 2011, Autoliv filed its Form 10-K for the year ended December 31, 2010 (the "2010 Form 10-K") with the SEC, which was signed by defendants Carlson and Wallin, and represented, in part, that the financial statements contained therein, the Company's financial statements for the year ended December 31, 2010, including gross margins and earnings, were presented in conformity with GAAP. The 2010 Form 10-K also included representations about the Company's disclosure and internal controls and defendants Carlson's and Wallin's certifications thereon. Concerning the DOJ investigation, the 2010 Form 10-K did disclose that the Company had received a subpoena from the DOJ in February 2011, but in an attempt to downplay its significance to investors, stated it was merely "part of a long-running investigation" into practices into all "auto parts suppliers." The 2010 Form 10-K also falsely stated that Autoliv had "a longstanding commitment to ethical conduct and compliance with the law, and in no way condones unlawful behavior." Defendants also stated they had already been able to conclude that the costs of that investigation would be immaterial to Autoliv, and disclaimed knowledge altogether of whether defendants' violations of law could have a material impact on "the Company's financial position,

operating results [and] cash flows.” In this regard, the 2010 Form 10-K stated in pertinent part as follows:

[O]n February 8, 2011, Autoliv ASP Inc., a Company subsidiary, received a grand jury subpoena from the Antitrust Division of the United States Department of Justice (“DOJ”) requesting documents and information as part of a *long-running investigation* whether and to what extent employees of *auto parts suppliers*, including Autoliv, have entered into unlawful agreements or understandings related to sales to automobile manufacturers. *The Company has a longstanding commitment to ethical conduct and compliance with the law, and in no way condones unlawful behavior.* The Company intends to cooperate with the DOJ and is investigating the matter. *The Company does not believe that the cost of its investigation will be material but it cannot estimate the impact, if any, that the resolution of the government’s investigation could have on the Company’s financial position, operating results or cash flows.*

38. On March 28, 2011, Autoliv filed with the SEC and distributed its 2011 Annual Proxy to shareholders (“2011 Proxy”). The 2011 Proxy disclosed in pertinent part that during 2010, Autoliv had “increased Mr. Carlson’s base salary by 17%” to \$1,037,037, reflecting in large part his “role in the Company’s significant achievements in 2009 [and] the Company’s growth prospects for 2010.” The 2011 Proxy also disclosed that defendant Carlson also received the “maximum” allowable annual non-equity incentive award of \$1,244,444, stating that it was justified in light of the Company having “exceeded 130% of 2009 operating income.” As a result, the 2011 Proxy explained, defendant Carlson had received total compensation of \$2,966,441 for fiscal 2010, “approximately 14% above [his] total target compensation, primarily as a result of the Company having paid the maximum annual non-equity incentive award.” Likewise, the 2011 Proxy disclosed that during 2010, Autoliv had “increased [defendant] Wallin’s base salary by 3.2%” to \$431,111, again reflecting, in large part, his “role in the Company’s significant achievements in 2009 [and] the Company’s growth prospects for 2010.” Defendant Wallin was also paid a “maximum” annual non-equity incentive award of \$260,742, purportedly justified by Autoliv having “exceeded 130% of

2009 operating income.” And as a result, the 2011 Proxy disclosed that defendant Wallin’s 2010 total compensation of \$957,275 was “approximately 11% above the total target compensation, primarily as a result of the Company having paid the maximum annual non-equity incentive award.”

39. The 2011 Proxy stated that “[s]ince 1998, the Company has . . . had a Standards of Business Conduct and Ethics that applies to all employees of the Company and the Company has had a Code of Conduct and Ethics for Senior Officers (the Standards of Business Conduct and Ethics for Directors, Code of Conduct and Ethics for Senior Officers and Code of Conduct and Ethics that applies to all Company employees are collectively referred to as the “Codes”).” The 2011 Proxy also stated that, “[a]s previously disclosed by the Company, the Board adopted amendments to the Codes that are effective as of January 1, 2011.” The 2011 Proxy stated that those Corporate Governance Guidelines and the Codes were available on the Company’s website. Autoliv’s “Standards of Business Conduct and Ethics” opens with a letter from defendant Carlson emphasizing the importance of ethical conduct to Autoliv’s bottom-line: “*The reputation that we have earned for high ethical standards in combination with saving thousands of lives every year is one of our greatest business assets.*” It also states “[o]ur goal has never been solely to comply with the law, but to abide by the highest principles of integrity and concern for others.” Specifically referencing the Company’s purportedly strong internal prohibitions against engaging in anti-competitive behavior, the standards state:

Autoliv is committed to a fair global market. This includes fierce competition; we innovate the best technologies and we produce and sell the best products at the most competitive prices. We also ensure that no unlawful agreements are made between Autoliv and our competitors concerning prices, customers, territories or markets. We promote our products and do not make unfair and inaccurate comparisons with our competitors’ products.

In all dealings with our competitors, customers and suppliers we must act honestly and in compliance with anti-trust and fair competition laws and regulations – for example, those prohibiting price-fixing, boycotts of suppliers and cartels. Violations of such laws can result in substantial sanctions against the company and the individuals involved, in some cases including prison. We must therefore understand the applicable rules and act in accordance with them. Also, we must be careful such that others do not misinterpret our activities or discussions with other companies’ representatives as violations of competition law.

40. On April 20, 2011, Autoliv issued a press release announcing its financial results for its 1Q 2011, this time stating that “[f]or the three-month period ended March 31, 2011, Autoliv Inc. – the worldwide leader in automotive safety systems –*reported record quarterly sales, operating income, net income and earnings per share.*” For the quarter, the Company reported sales of \$2.109 billion and net income of \$182 million, or \$1.93 per diluted common share. The press release also reported that “[o]perating income improved by 30% to \$255 million, income before taxes by 34% to \$240 million, net income by 42% to \$182 million and earnings per share assuming dilution by 39% to \$1.93,” and that “[o]perating margin increased to 12.1% from 11.4% for the same quarter 2010.” Concerning 2Q 2011 and full year 2011 guidance, the press release stated in pertinent part as follows:

For the second quarter of 2011, the Company expects organic sales to be flat as compared to the same quarter 2010 and consolidated net sales to rise by approximately 9%. *An operating margin of around 9% is expected for the quarter.* For the full year, the current indications are a sales increase of approximately 15% with organic sales growing by about 8% *and an operating margin of around 11.5%.* These forecasts are uncertain due to the difficulties in predicting disruptions at vehicle assembly lines due to unexpected component shortages after the earthquake in Japan.

41. Following the Company’s 1Q 2011 earnings announcement, on April 20, 2011, Autoliv held a conference call with analysts and investors to discuss the Company’s earnings and

operations. During the conference call, defendants made positive statements about the Company and its earnings and outlook but did not mention or discuss the pending DOJ antitrust investigation.

42. That same day, April 20, 2011, Autoliv filed with the SEC its Form 10-Q for the quarter ended March 31, 2011 (the “2011 Q1 Form 10-Q”), which was signed by defendant Wallin and represented, in part, that the financial statements contained therein, the Company’s financial statements for the quarter ended March 31, 2011, including gross margins and earnings, were presented in conformity with GAAP. Just as the 2010 Form 10-K had, the 2011 Q1 Form 10-Q disclosed that the Company had received a subpoena from the DOJ in February 2011, but downplayed its significance by stating that they had already concluded that the costs of that investigation would be immaterial to Autoliv, and disclaimed knowledge altogether of whether defendants’ violations of law could have a material impact on “the Company’s financial position, operating results [and] cash flows,” stating in pertinent part as follows:

On February 8, 2011, Autoliv ASP Inc., a Company subsidiary, received a grand jury subpoena from the Antitrust Division of the United States Department of Justice (“DOJ”) requesting documents and information as part of a long-running investigation whether and to what extent employees of auto parts suppliers, including Autoliv, have entered into unlawful agreements or understandings related to sales to automobile manufacturers. The Company is cooperating with the DOJ and is investigating the matter. ***The Company does not believe that the cost of its investigation will be material but it cannot estimate the impact, if any, that the resolution of the government’s investigation could have on the Company’s financial position, operating results or cash flows.***

43. On June 9, 2011, Autoliv issued a press release stating that “[r]epresentatives of the antitrust authorities of the European Commission ***visited*** two of Autoliv’s German facilities to gather information for an inquiry into possible anti-competitive behaviors among ***certain suppliers to the automotive vehicle industry.***” In addition to concealing that Autoliv was actually a target of the EC regulators’ antitrust investigation – rather than one of many mere participants in the market being

investigated – and misleadingly suggesting that the investigation was of the auto parts industry at large, rather than Autoliv’s small safety niche, the press release continued to falsely assure investors that “*Autoliv [had] strict policies prohibiting anti-competitive behaviors.*”

44. Defendants’ statements referenced above in ¶¶28-43 were each materially false and misleading when made because they misrepresented and failed to disclose the following adverse facts, which were known to defendants or recklessly disregarded by them:

(a) that the Company had colluded with other automotive supply companies dating back to 2009 to engage in wrongful antitrust practices over an extended time;

(b) that the Company’s known, but undisclosed, anti-competitive practices had artificially inflated its reported gross margins and earnings for fiscal years 2009 and 2010 and for the first interim reporting period of fiscal 2011;

(c) that the Company’s known, but undisclosed, antitrust practices subjected the Company to material undisclosed risks, including monetary and reputational risks, that are of particular significance to Autoliv since it is dependent on a relatively small number of customers and any harm to its reputation and/or relationships with such customers would adversely affect its future revenues and growth prospects;

(d) that the Company violated accounting standards associated with the disclosure and accounting for gross margins, earnings and loss contingencies;

(e) that the Company’s financial statements were not fairly presented in conformity with GAAP and were materially false and misleading;

(f) that certifications issued by defendants Carlson and Wallin associated with the Company’s internal and disclosure controls were materially false and misleading; and

(g) that, based on the foregoing, defendants lacked a reasonable basis for their positive statements about the Company, its current business and future financial prospects.

45. On July 8, 2011, Autoliv issued a press release finally conceding that it was “likely” that its operating results and cash flows would be materially impacted as a result of its wrongful anti-competitive practices. That press release stated in pertinent part as follows:

As previously disclosed, Autoliv ASP Inc., a Company subsidiary, on February 8, 2011 received a grand jury subpoena from the Antitrust Division of the United States Department of Justice (“DOJ”) requesting documents and information as part of a long-running investigation into possible anti-competitive behavior among certain suppliers to the automotive vehicle industry, including Autoliv; and on June 7-9, 2011, representatives of the antitrust authorities of the European Commission (“EC”) visited two facilities of Autoliv BV & Co KG, a Company subsidiary in Germany, to gather information for a similar inquiry.

The DOJ and EC investigations are still ongoing. *It is likely that, for the reporting periods in which the related liabilities become estimable or the investigations are resolved, the Company’s operating results and cash flows will be materially impacted.* However, as the Company cannot predict the duration, future scope or final outcome of the investigations, it is unable to estimate such impact or predict the reporting periods in which it may be recorded.

46. This revelation was significant because, pursuant to applicable accounting rules, Autoliv acknowledged that, once it was able to reasonably estimate the amount of the Company’s liabilities ensuing from its wrongful antitrust practices, its operating results and cash flows would suffer a material adverse impact.

47. As the market assimilated this information over the ensuing weeks as prominent stock analysts published expansive reports detailing the full impact this had had on the Company’s previously reported financial results and the impact it would have on the Company’s present business model and future financial prospects, the price of Autoliv common stock – which had plummeted nearly **11%** on July 8, 2011 alone, falling from its close of \$79.77 on July 7, 2011 to

close at \$71.14 on July 8, 2011 – continued plummeting on unusually high trading volume, falling below \$62 by August 2, 2011:



48. For instance, J.P. Morgan North American Equity Research would ultimately estimate that Autoliv could pay upwards of \$700 million in fines associated with its anti-competitive business practices, including potential criminal fines and penalties, civil judgments obtained by the SEC, the DOJ and/or EU antitrust authorities, and judgments in private antitrust and securities actions.

49. On July 19, 2011, J.P. Morgan reported that “[r]ecent news relating to the ongoing antitrust investigations [had] put pressure on ALV . . . shares,” stating “we think the market has priced in a near worst case financial impact (~\$0.8B hit for ALV...)”

50. Likewise, despite the Company reporting on July 21, 2011 its 2Q 2011 financial results (for the interim period ended June 30, 2011) that beat analyst expectations (including reporting net income of \$146 million versus expectations of \$126 million and sales of \$2.1 billion versus estimates of \$1.96 billion), analysts did not raise their stock ratings for Autoliv and its stock price continued plummeting. Significantly, while Autoliv stated on July 21, 2011 that it expected 2011 organic sales growth of 9% and consolidated net sales growth of 16%, the Company was also forced to admit that it could not calculate “margin estimates for the remainder of the year” due to the potential “legal costs” and “impact from the ongoing antitrust investigations.” During the conference call that day, defendants acknowledged having spent upwards of \$4 million on legal costs during the first half of 2011, but would not comment as to how much more they thought they would spend on legal costs. As a result, with the impact of potentially massive ongoing legal costs, fines, penalties and judgments outstanding, the market was simply unable to predict future profits for Autoliv, and with the legal costs, the Company’s 2Q 2011 operating profit was already down 10% year-over-year.

51. During the July 21, 2011 call, defendants also expressly refused to “quantify what the impact [was] in terms of bidding activity” for new business as a result of the ongoing antitrust investigation when prodded by an analyst. Defendants also adamantly refused to answer another analyst’s inquiry as to whether, “in theory, . . . the potential damage [is] to your earnings on past years, or is [it] also potentially a threat for your earnings during the investigation, which I understand can be a very long process.” Defendants also refused to respond to another analyst’s inquiry whether the antitrust investigation would bring discord into the relationships of Autoliv and other suppliers’ relationships with the auto manufacturers they sold to.

52. J.P. Morgan's July 21, 2011 report noted that the Company had "started to incur legal fees" and, discussing Autoliv's "slightly more cautious outlook," doubted whether the "emerging markets growth investment costs [could] have been too incremental to management expectations from just one quarter ago, *making us wonder if the guidance reflects more conservatism in light of still evolving views on Japanese production and/or something more specific (e.g. additional legal fees for pending anti-trust investigation?).*"

53. J.P. Morgan's July 22, 2011 report, commenting on the potential reasons for the Company's downward margin guidance, noted that "potential legal costs associated with antitrust investigations in H2 are not included in the revised 2011 guidance," though "legal costs in H1 were \$3-4MM." The report went on to state that the "guidance shift was still disappointing and hard to fully explain especially in light of ALV's hitherto excellent internal planning." As a result, J.P. Morgan stated it was "trim[ing its] future estimates based on the revised sales/margin guidance in the 3Q and full-year 2011" and lowering its price target on Autoliv stock by \$3.

54. And, according to a July 22, 2011 *Dow Jones* article, while Goldman Sach did not downgrade its price target, its report "[n]otes, however, that management did not provide further insight into the antitrust investigations in Europe and the US," stating that "[i]n addition to a potential significant one-off fine, bank believes the ongoing investigations could undermine Autoliv's pricing power going forward." Goldman Sachs added "that this may cause investors to become concerned about Autoliv's sustainable margin level," and that "[t]his uncertainty will likely weigh on share price performance until resolution of the antitrust investigations."

55. On October 3, 2012, the Company received a letter from the Competition Bureau of Canada related to the subjects investigated by the DOJ and EC, seeking the voluntary production of certain corporate records and information related to sales subject to Canadian jurisdiction.

56. On November 6, 2012, the Korean Fair Trade Commission visited one of the Company's South Korean subsidiaries to gather information for a similar investigation.

57. The Company has also disclosed that since the Company's plea agreement with the DOJ, which involved the actions of employees of a Japanese subsidiary, the Japan Fair Trade Commission is evaluating whether to initiate an investigation.

58. On June 6, 2012, Autoliv and the DOJ announced that Autoliv had agreed to plead guilty to price fixing on automobile parts installed in U.S. cars and to pay a \$14.5 million criminal fine. In so doing, Autolive admitted to its role in a conspiracy to fix prices of seatbelts, airbags and steering wheels installed in U.S. cars to one automobile manufacturer and a separate conspiracy to fix prices of seatbelts to another. According to the DOJ's press release that day:

“By meeting in secret and agreeing to allocate the supply of various automotive parts, the conspirators colluded to rip off automotive manufacturers in the United States and abroad,” said Scott D. Hammond, Deputy Assistant Attorney General of the Antitrust Division's criminal enforcement program. “These conspiracies eliminated competition and resulted in inflated prices to automotive manufacturers for parts in cars sold to U.S. consumers.”

59. According to court documents, Autoliv's involvement in the conspiracy to fix prices of seatbelts, airbags and steering wheels lasted from at least as early as March 2006 until at least February 2011, and its involvement in the second conspiracy to fix prices of seatbelts lasted from at least as early as May 2008 to at least February 2011. Autoliv and its co-conspirators carried out the conspiracies by agreeing, during meetings and conversations, to allocate the supply of seatbelts, airbags and steering wheels on a model-by-model basis. The DOJ also said that Autoliv and the co-

conspirators sold the safety parts at issue at non-competitive prices to automakers in the United States and elsewhere.

60. Multiple private antitrust lawsuits have been commenced against Autoliv in the U.S. alleging anti-competitive conduct, each seeking class action status and potentially billions of dollars in damages. Autoliv and its subsidiaries were ultimately named as defendants in eleven antitrust class action lawsuits pending the United States District Court for the Eastern District of Michigan (*Brad Zirulnik v. Autoliv, Inc., et al.*, filed on June 6, 2012; *A1A Airport & Limousine Service, Inc. v. Autoliv, Inc., et al.* and *Frank Cosenza v. Autoliv, Inc., et al.*, each filed on June 8, 2012; *Meetesh Shah v. Autoliv, Inc., et al.*, filed on June 12, 2012; *Martens Cars of Washington, Inc., et al. v. Autoliv, Inc., et al.* and *Richard W. Keifer, Jr. v. Autoliv, Inc., et al.*, each filed on June 26, 2012; *Findlay Industries, Inc. v. Autoliv, Inc.*, filed on July 12, 2012; *Beam's Industries, Inc. v. Autoliv, Inc., et al.*, filed on July 21, 2012; *Melissa Barron, et al. v. Autoliv, Inc., et al.*, filed on July 24, 2012; *Stephanie Kaleuha Petras v. Autoliv, Inc., et al.*, filed on August 14, 2012; and *Superstore Automotive, Inc., et al. v. Autoliv, Inc., et al.*, filed on November 1, 2012).

61. On January 18, 2013, a twelfth class action antitrust lawsuit was filed under Canadian law in the Ontario Superior Court of Justice in Canada (*Sheridan Chevrolet Cadillac Ltd., et al. v. Autoliv Inc., et al.*), also seeking billions of dollars in potential recovery.

62. In the Company's 2012 Annual Report to Shareholders, filed with the SEC on February 22, 2013, defendants emphasized the substantial litigation and regulatory risk the Company still faces around the globe, stating in pertinent part as follows:

We are currently undergoing an antitrust investigation by the European Commission and it is probable that the Company's operating results and cash flows will be materially adversely impacted

The European Commission (“EC”) is engaged in a long-running investigation into possible anti-competitive behavior among certain suppliers to the automotive vehicle industry, including Autoliv. From June 7 to June 9, 2011, representatives of the EC visited two facilities of Autoliv BV & Co KG, a Company subsidiary in Germany, to gather information for such inquiry. The EC’s investigation is still ongoing. It is the Company’s policy to cooperate with governmental investigations. Although the duration or ultimate outcome of the EC investigation cannot be predicted or estimated, *it is probable that the Company’s operating results and cash flows will be materially adversely impacted for the reporting periods in which the EC investigation is resolved or becomes estimable.* The Company remains unable to estimate the impact the EC investigation will have or predict the reporting periods in which such impact may be recorded. *The Company’s recent settlement with the Antitrust Division of the US Department of Justice (“DOJ”) does not impact the EC’s ongoing investigation, as the EC investigation is a separate matter that involves the application of different legal standards.*

We are subject to investigations by two other competition authorities and may be subject to investigations by additional competition authorities that could negatively impact our business

Competition authorities in Canada and South Korea have recently initiated investigations of certain suppliers to the automotive vehicle industry, including Autoliv. Competition authorities in additional countries, including Japan, may do the same. These types of investigations require significant management time and attention, as the EC and DOJ investigations already have. These investigations could also result in significant expenses as well as unfavorable outcomes that could have a material adverse impact on our customer relationships, business prospects, reputation, operating results, cash flows or financial results.

We are subject to civil antitrust litigation in the U.S. following the DOJ settlement and may be subject to additional civil antitrust litigation in the U.S. or elsewhere that could negatively impact our business

Following the Company’s guilty plea as part of the DOJ settlement, the Company and its competitors were sued in multiple purported class action lawsuits in the U.S. and Canada alleging violations of antitrust and related laws and seeking to recover treble damages for the alleged classes of direct purchasers, auto dealers and vehicle purchasers/lessees. The Company may be subject to additional civil antitrust lawsuits in the future in the U.S., Canada or in other countries that permit such civil claims. These types of lawsuits require significant management time and attention and could result in significant expenses as well as unfavorable outcomes that could have a material adverse impact on our customer relationships, business prospects, reputation, operating results, cash-flows or financial results.

63. The market for Autoliv common stock was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to disclose, Autoliv common stock traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Autoliv common stock relying upon the integrity of the market price of Autoliv common stock and market information relating to Autoliv, and have been damaged thereby.

64. During the Class Period, defendants materially misled the investing public, thereby inflating the price of Autoliv common stock, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, as alleged herein.

65. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused, or were a substantial contributing cause of, the damages sustained by plaintiff and other members of the Class. As described herein, during the Class Period, defendants made or caused to be made a series of materially false or misleading statements about Autoliv's business, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Autoliv and its business, prospects and operations, thus causing the Company's common stock to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in plaintiff and other members of the Class purchasing

the Company's common stock at artificially inflated prices, thus causing the damages complained of herein.

ADDITIONAL SCIENTER ALLEGATIONS

66. As alleged herein, defendants acted with scienter in that defendants knew, or recklessly disregarded, that the public documents and statements they issued and disseminated to the investing public in the name of the Company or in their own name during the Class Period were materially false and misleading. Defendants knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements and documents as primary violations of the federal securities laws. Defendants, by virtue of their receipt of information reflecting the true facts regarding Autoliv, their control over, and/or receipt and/or modification of Autoliv's allegedly materially misleading misstatements, were active and culpable participants in the fraudulent scheme alleged herein.

67. Defendants knew and/or recklessly disregarded the falsity and misleading nature of the information which they caused to be disseminated to the investing public. The fraudulent scheme described herein could not have been perpetrated during the Class Period without the knowledge and complicity of, or at least the reckless disregard by, personnel at the highest levels of the Company, including the Individual Defendants.

68. Individual Defendants, because of their positions with Autoliv, controlled the contents of the Company's public statements during the Class Period. Each defendant was provided with or had access to copies of the documents alleged herein to be false and/or misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information, these

defendants knew or recklessly disregarded that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations that were being made were false and misleading. As a result, each of these defendants is responsible for the accuracy of Autoliv's corporate statements and are therefore responsible and liable for the representations contained therein.

69. The scienter of the defendants is underscored by the Sarbanes-Oxley mandated certifications of defendants Carlson and Wallin, which acknowledged their responsibility to investors for establishing and maintaining controls to ensure that material information about Autoliv was made known to them and that the Company's disclosure-related controls were operating effectively.

70. Defendants Carlson and Wallin were motivated to engage in anti-competitive behavior and to conceal it, defrauding Autoliv's investors, in order to counteract the effects of a salary freeze that was implemented for 2009. Indeed, in 2010, based purportedly on the company 2009 and 2010 financial results, defendants Carlson and Wallin received millions of dollars worth of salary increases and "maximum" annual non-equity incentive awards.

71. Defendants were further motivated to engage in this fraudulent course of conduct in order to allow high-level Company officers to sell shares of their personally held Autoliv common stock at inflated prices, which yielded those officers proceeds in excess of \$5.5 million during the Class Period.

Filer Name	Title	Date	Shares	Price	Proceeds
Brenner (Günter)	Officer	29-Oct-2010	10,000	\$71.12	\$711,200
Eriksson Veronica Ann	Officer	29-Oct-2010	600	\$71.00	\$42,600
Eriksson Veronica Ann	Officer	29-Oct-2010	450	\$71.00	\$31,950

Eriksson Veronica Ann	Officer	29-Oct-2010	1,800	\$71.00	\$127,800
Eriksson Veronica Ann	Officer	29-Oct-2010	500	\$71.00	\$35,500
Eriksson Veronica Ann	Officer	29-Oct-2010	150	\$71.00	\$10,650
			3,500		\$248,500
Fredin Steven R	Officer	23-Nov-2010	750	\$73.87	\$55,403
Fredin Steven R	Officer	23-Nov-2010	1,000	\$73.87	\$73,870
Fredin Steven R	Officer	23-Nov-2010	750	\$73.87	\$55,403
Fredin Steven R	Officer	31-May-2011	6,900	\$76.56	\$528,264
			9,400		\$712,939
Jonzon (Halvar)	Officer	01-Nov-2010	5,500	\$71.44	\$392,920
Jonzon (Halvar)	Officer	28-Mar-2011	710	\$71.88	\$51,035
			6,210		\$443,955
Mogefors Svante	Officer	28-Feb-2011	2,000	\$74.64	\$149,280
Mogefors Svante	Officer	28-Feb-2011	450	\$75.10	\$33,795
Mogefors Svante	Officer	28-Feb-2011	1,000	\$75.04	\$75,040
Mogefors Svante	Officer	28-Feb-2011	1,000	\$75.17	\$75,170
Mogefors Svante	Officer	17-May-2011	2,333	\$74.96	\$174,882
			6,783		\$508,167
Odman Mats	Officer	25-Apr-2011	3,545	\$78.01	\$276,545
Odman Mats	Officer	16-May-2011	3,545	\$75.90	\$269,066
Odman Mats	Officer	15-Jun-2011	3,545	\$70.79	\$250,951
			10,635		\$796,562
Wadell Hannes	Officer and Treasurer	28-Feb-2011	1,000	\$75.00	\$75,000
Wadell Hannes	Officer and Treasurer	28-Feb-2011	1,000	\$74.90	\$74,900
			2,000		\$149,900
Ward (Michael)	Officer	29-Oct-2010	1,643	\$71.25	\$117,064
Ward (Michael)	Officer	29-Oct-2010	2,107	\$71.25	\$150,124
Ward (Michael)	Officer	07-Feb-2011	1,734	\$76.35	\$132,391
Ward (Michael)	Officer	07-Feb-2011	2,016	\$76.25	\$153,720
Ward (Michael)	Officer	22-Feb-2011	2,000	\$72.97	\$145,940
Ward (Michael)	Officer	28-Feb-2011	1,694	\$74.90	\$126,881

Ward (Michael)	Officer	28-Feb-2011	4,065	\$74.61	\$303,290
Ward (Michael)	Officer	28-Feb-2011	1,935	\$74.92	\$144,970
Ward (Michael)	Officer	28-Feb-2011	5,083	\$74.61	\$379,243
Ward (Michael)	Officer	28-Feb-2011	2,237	\$74.84	\$167,417
Ward (Michael)	Officer	28-Feb-2011	2,056	\$74.61	\$153,398
			<u>26,570</u>		<u>\$1,974,437</u>
	TOTAL		<u>75,098</u>		<u>\$ 5,545,659</u>

LOSS CAUSATION

72. During the Class Period, as detailed herein, defendants engaged in a scheme to deceive the market and a course of conduct that artificially inflated the price of Autoliv common stock and operated as a fraud or deceit on Class Period purchasers of Autoliv common stock by failing to disclose and misrepresenting the adverse facts detailed herein. When defendants' prior misrepresentations and fraudulent conduct were disclosed and became apparent to the market, the price of Autoliv common stock fell precipitously as the prior artificial inflation came out.

73. As a result of their purchases of Autoliv common stock during the Class Period, plaintiff and the other Class members suffered economic loss, *i.e.*, damages, under the federal securities laws. Defendants' false and misleading statements had the intended effect and caused Autoliv common stock to trade at artificially inflated levels throughout the Class Period, reaching as high as \$83.53 per share on January 12, 2011.

74. By concealing from investors the adverse facts detailed herein, defendants presented a misleading picture of Autoliv's business and prospects. When the truth about the Company was revealed to the market, the price of Autoliv common stock fell precipitously. These declines removed the inflation from the price of Autoliv common stock, causing real economic loss to investors who had purchased Autoliv common stock during the Class Period.

75. The declines in the price of Autoliv common stock after the corrective disclosures came to light were a direct result of the nature and extent of defendants' fraudulent misrepresentations being revealed to investors and the market. The timing and magnitude of the price declines in Autoliv common stock negate any inference that the loss suffered by plaintiff and the other Class members was caused by changed market conditions, macroeconomic or industry factors or Company-specific facts unrelated to defendants' fraudulent conduct. Indeed, the S&P 500 index actually increased 5% over the course of the Class Period.

76. The economic loss, *i.e.*, damages, suffered by plaintiff and the other Class members was a direct result of defendants' fraudulent scheme to artificially inflate the price of Autoliv common stock and the subsequent significant decline in the value of Autoliv common stock when defendants' prior misrepresentations and other fraudulent conduct were revealed.

**APPLICABILITY OF PRESUMPTION OF RELIANCE:
FRAUD ON THE MARKET DOCTRINE**

77. At all relevant times, the market for Autoliv common stock was an efficient market for the following reasons, among others:

(a) Autoliv common stock met the requirements for listing, and was listed and actively traded on the NYSE, a highly efficient, electronic stock market;

(b) as a regulated issuer, Autoliv filed periodic public reports with the SEC and the NYSE;

(c) Autoliv regularly communicated with public investors via established market communication mechanisms, including regular disseminations of press releases on the national circuits of major newswire services and other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and

(d) Autoliv was followed by securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

78. As a result of the foregoing, the market for Autoliv common stock promptly digested current information regarding Autoliv from all publicly available sources and reflected such information in the prices of the stock. Under these circumstances, all purchasers of Autoliv common stock during the Class Period suffered similar injury through their purchase of Autoliv common stock at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

79. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of the specific statements pleaded herein were not identified as “forward-looking statements” when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements were made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized and/or approved by an executive officer of Autoliv who knew that those statements were false when made.

COUNT I

Violation of §10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants

80. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

81. During the Class Period, defendants disseminated or approved the materially false and misleading statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

82. Defendants: (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements made not misleading; and (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's common stock during the Class Period.

83. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Autoliv common stock. Plaintiff and the Class would not have purchased Autoliv common stock at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by defendants' misleading statements.

84. As a direct and proximate result of defendants' wrongful conduct, plaintiff and the other members of the Class suffered damages in connection with their purchases of Autoliv common stock during the Class Period.

COUNT II

Violation of §20(a) of the Exchange Act Against the Individual Defendants

85. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

86. The Individual Defendants acted as controlling persons of Autoliv within the meaning of §20(a) of the Exchange Act as alleged herein. By reason of their positions as officers and/or directors of Autoliv, and their ownership of Autoliv common stock, the Individual Defendants had the power and authority to cause Autoliv to engage in the wrongful conduct complained of herein. By reason of such conduct, the Individual Defendants are liable pursuant to §20(a) of the Exchange Act.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for relief and judgment, as follows:

A. Determining that this action is a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a Class representative under Rule 23 of the Federal Rules of Civil Procedure and plaintiff's counsel as Lead Counsel;

B. Awarding compensatory damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

C. Awarding plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

D. Such other and further relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff hereby demands a trial by jury.

DATED:
