

AUTOLIV INC
Form 8-K
May 24, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of

The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 20, 2011

Autoliv, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-12933
(Commission
File Number)

51-0378542
(IRS Employer
Identification No.)

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World Trade Center,

Klarabergsviadukten 70,

Box 70381

SE-107 24 Stockholm, Sweden

(Address of principal executive offices, including zip code)

+46 8 587 20 600

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2 below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.02 Termination of a Material Definitive Agreement.

To reduce interest expense, on May 23, 2011, Autoliv (the Company) cancelled two back-up credit facilities. Autoliv has cancelled its SEK2 billion (\$315 million equivalent) credit facility maturing in 2017 and its EUR155 million (\$220 million) revolving credit facility maturing in 2015. These credit agreements were negotiated in 2009 and 2010 when prices were higher than today, and are no longer required after the Company's refinancing last month of its \$1.1 billion revolving credit facility (the Credit Facility).

Item 8.01 Other Events.

On May 20, 2011, the Company prepaid certain debt obligations. The Company entered into an exchange agreement where it prepaid a SEK 600 million (\$95 million) note with a maturity in 2014 and issued a SEK 300 million (\$47 million) note with a 2017 maturity. The Company will incur \$6 million as debt extinguishment cost in the second quarter.

As a result of the cancellation of these back-up credit facilities, the debt prepayment, and the refinancing of the Credit Facility, the Company expects to save \$5 million per year in interest expense and other financing costs.

Additionally, Autoliv's undrawn long-term credit facilities and commitments are reduced by \$535 million to \$1.4 billion, while cash and gross debt are reduced by \$47 million (excluding the debt extinguishment cost). At the latest closing at the end of March, cash amounted to \$650 million and gross debt to \$747 million.

Safe Harbor

This report contains statements that are not historical facts but rather forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (PSLRA). All such statements are based upon our current expectations, various assumptions, and data available from third parties and apply only as of the date of this report. Our expectations and assumptions are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that forward-looking statements will materialize or prove to be correct as these assumptions are inherently subject to risks and uncertainties such as without limitation, changes in general industry and market conditions, changes in and the successful execution of cost reduction initiatives and market reaction thereto, increased competition, changes in consumer preferences for end products, customer losses, consolidations or restructuring, divestiture of customer brands, fluctuation in vehicle production schedules for which the Company is a supplier, continued uncertainty in program awards and performance, costs or difficulties related to the integration of any new or acquired businesses or technologies, pricing negotiations with customers, product liability, warranty and recall claims and other litigations and customer reactions thereto, possible adverse results of pending or future litigation or infringement claims, legislative or regulatory changes, tax assessments, dependence on customers and suppliers, as well as the risks identified in Item 1A Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2010. Except for the Company's ongoing obligation to disclose information under the U.S. federal securities laws, the Company undertakes no obligation to update publicly any forward-looking statements whether as a result of new information or future events. For any forward-looking statements contained in this or any other document, we claim the protection of the safe harbor for forward-looking statements contained in the PSLRA.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 23, 2011

AUTOLIV, INC.

By: /s/ Lars A. Sjöbring
Name: Lars A. Sjöbring
Title: Group Vice President Legal Affairs

General Counsel and Secretary