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**J.D. Power and Associates Reports:
Stricter Automotive Safety Regulations Will Nearly Double the Demand for Airbags by 2011**

Demand for Airbags Expected to Increase Global Airbag Revenue by \$2.9 Billion

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WESTLAKE VILLAGE, Calif.—As stricter regulations move vehicle manufacturers toward making vehicles safer in side-impact collisions, the demand for airbags in North America will nearly double by 2011, according to the J.D. Power and Associates 2004 Global Automotive Airbag Market StudySM released today.

Much of the growth in the airbag industry is the result of the National Highway Traffic Safety Administration's (NHTSA) move by as soon as 2009 to require all vehicles sold in the United States to pass a side crash test that measures the impact to head, thorax and pelvis. The study finds that the increasing demand for airbags, particularly side-impact airbags, will contribute to an additional 33 million units in North America by 2011. This will result in an extra \$1.17 billion in revenue potential for airbag suppliers.

“A significant increase in demand for airbag modules will be felt both domestically and abroad as a result of more government regulations, consumer demand for safer vehicles, and a general increase in vehicle production volumes,” said Anthony Pratt, senior manager forecasting for J.D. Power and Associates. “While this creates a tremendous opportunity for growth among airbag suppliers, the added costs may be passed on to the consumer, increasing the price of vehicles.”

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The study finds that global demand for airbag modules is expected to increase by 91.9 million units by 2011, resulting in an additional \$2.9 billion in global airbag revenue. While the growth will be greatest in North America, Asia and Europe are close behind with an expected demand increase that will result in an additional \$1 billion and \$763 million in revenue potential for suppliers, respectively, by 2011.

“Unlike North American and European demand, which focuses heavily on an increase in side-impact modules, more than one-half of the anticipated revenue growth in Asia is taking place in driver and passenger airbag models,” said Pratt. This is primarily due to increased vehicle production volumes and an increased demand for safer vehicles in Asian countries outside Japan, where many vehicles still do not include airbags.”

The 2004 Global Automotive Airbag Market Study is based on vehicle forecasts generated by J.D. Power-LMC global forecasting, as well as consumer feedback, contacts within the supplier community and regulation announcements made by governmental safety agencies such as NHTSA.

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