

AEROTEST OPERATIONS, INC.

Ultimate parent company:

**Autoliv, Inc.**

Sales: \$4.1 billion in 2000 (Fortune 500 Company)

Incorporated in Delaware, 1997; Headquarters: Stockholm, Sweden

Largest shareholder: Robur Funds of Sweden, 6.1-10.0%

Second largest shareholder: Franklin Templeton Investment Council, 4.1-4.3%

Next three largest shareholders: 2.5-2.7%, all Swedish companies

40% shares held in Sweden; 33% in U.S.; most of remaining in U.K. and central Europe

Board of Directors: Of those listed in prospectus, all are non-U.S. (Swedish, except one French)

Principal Officers: same

Acquired indirect parent of the licensee:

**OEA, Inc.**

1999 sales: \$249 million; projected 2001 sales: \$353.6 million. Has aerospace division (military and aerospace explosive actuated devices), automotive safety products division (propellant actuated devices).

Directors and Officers: (page 26 of prospectus:) All directors and officers of OEA, Inc. to be those of purchaser (OEA Merger Corporation), who are Swedish (one U.S.) (page 34 of prospectus).

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**SRP Section 3.2 Guidance on Applying Basic Limitations**

"Where an applicant that is seeking to acquire a 100% interest in the facility is wholly owned by a U.S. company that is wholly owned by a foreign corporation, the applicant will not be eligible for a license, unless the Commission knows that the foreign parent's stock is 'largely' owned by U.S. citizens."

Issue: Is Autoliv, Inc. a "foreign corporation," although incorporated in Delaware? (Stock is not arguably "largely" owned by U.S. citizens (33%), with remaining foreign owned.)

"A foreign interest is defined as any foreign government, agency of a foreign government, or representative of a foreign government; any form of business enterprise or legal entity organized, chartered, or incorporated under the laws of any country other than the U.S. or its possessions and trust territories; any person who is not a citizen or national of the U.S.; and any U.S. interest effectively controlled by one of the above foreign entities."

B/1