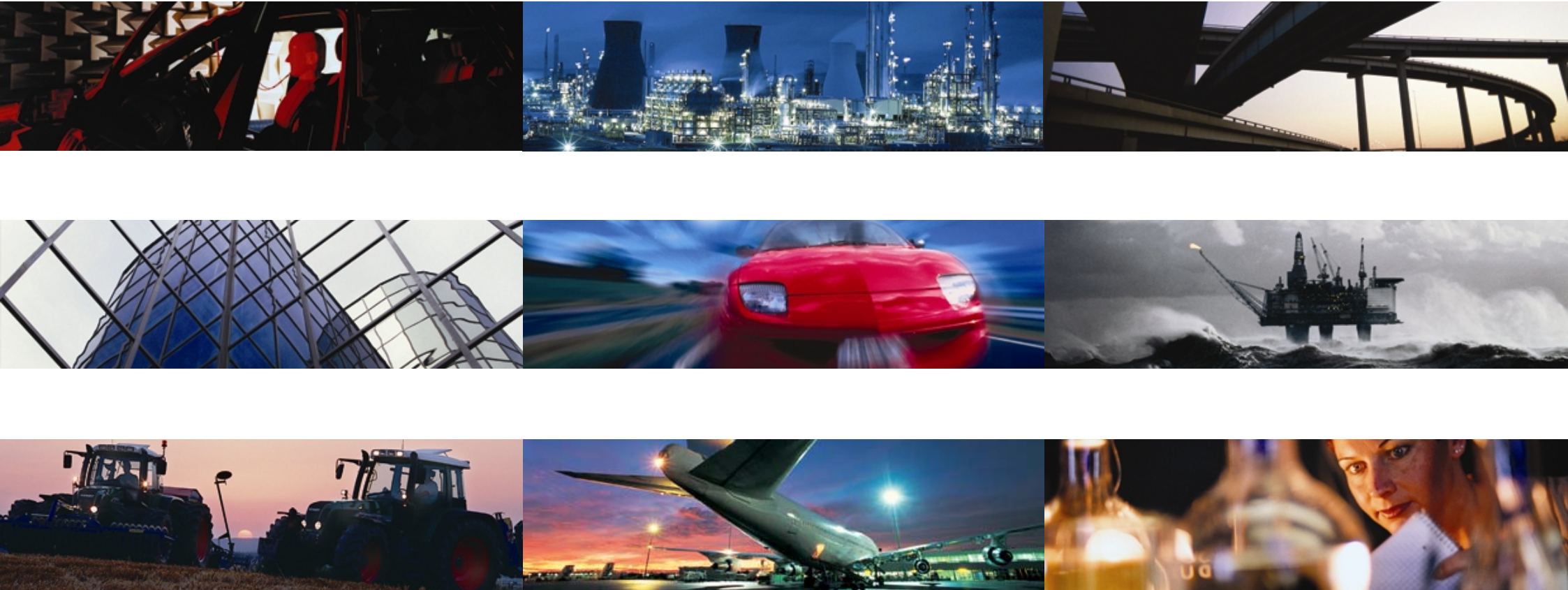


# Welcome to Full Year Report Update

February 6, 2004



  
TRELLEBORG

# In summary - continued positive development for the group

GROUP

## Trelleborg Group

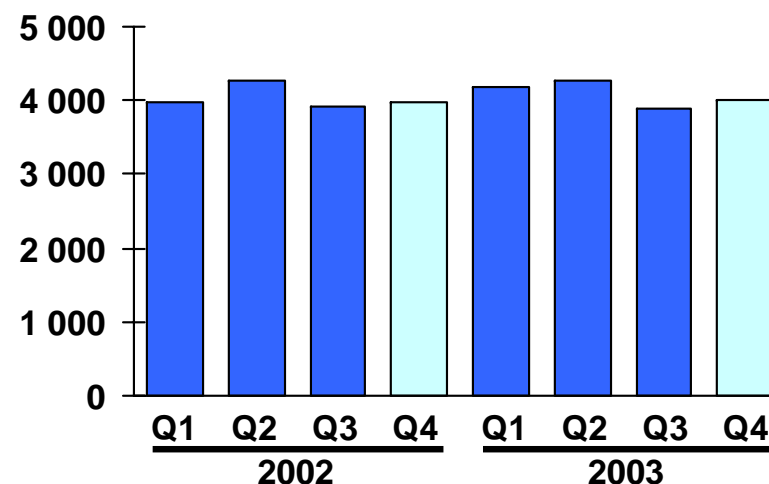
### Group net sales

- 12 Month Sales 17,960 SEK M (17,630)
- Up 1,1 % compared to 12 Months 2002, adjusted for comparable currencies/units
- Q4 Sales SEK M 5,351 (4,114)

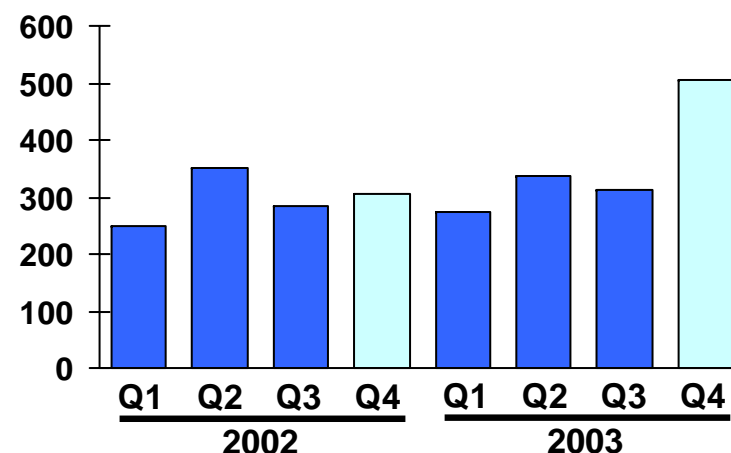
### Group EBITA, excl. non-comp items

- 12 Month EBITA increased to 1,427 SEK M (1,189)
- Translation effect approx. -51 SEK M
- Structural programs in Wheel Systems, Automotive Europe and acquisitions main drivers
- Q4 EBITA - SEK M 506 (304) of which Sealing Solutions SEK M 127 ( - )
- *Adapting accounting to RR29 as of Jan 1 '04 reduces opening balance of sh. equity with approx. 126 MSEK net of taxes. Costs '04 in line with '03.*

Net sales, adj. for comp. currencies/units, SEK M



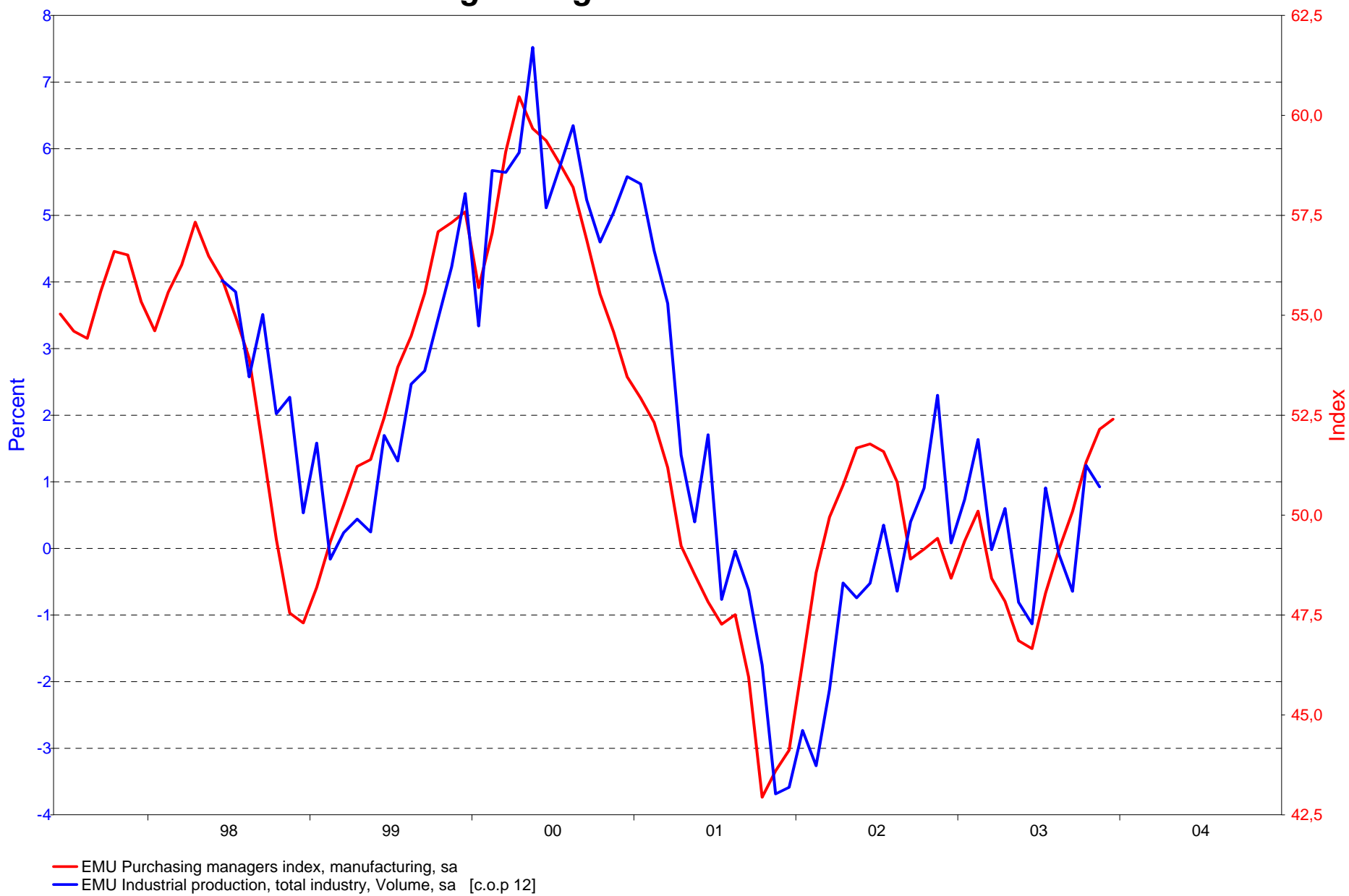
EBITA, excl. non-comp. items, SEK M



# European Ind prod follows purchasers indicator

GROUP

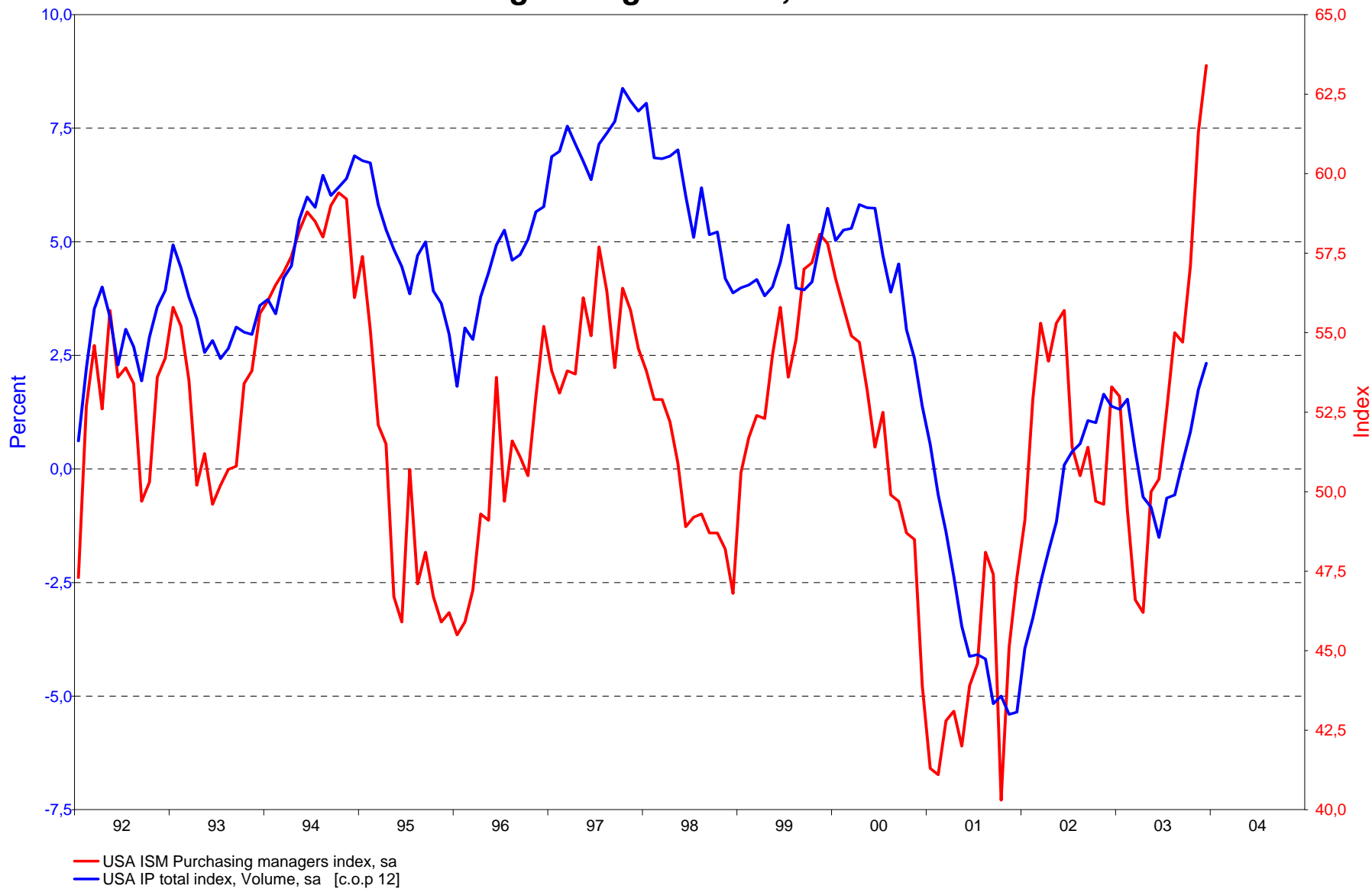
*EMU Purchasing managers index vs Industrial Production*



# US Purchasing managers confident

GROUP

**USA ISM Purchasing managers index, vs Industrial Production**

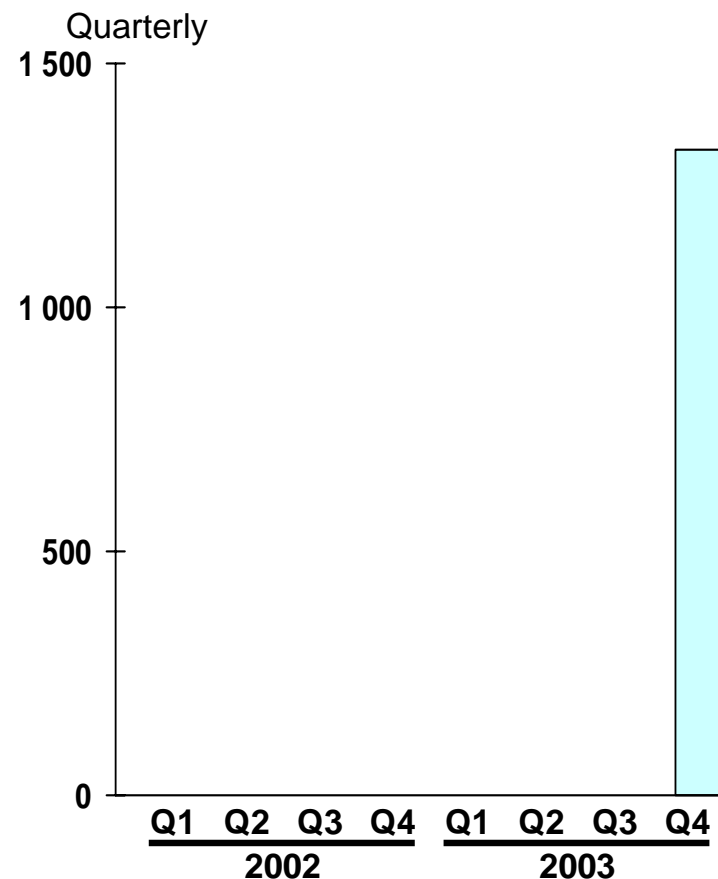


# Q4 sales up thanks to new products and improved demand

## Trelleborg Sealing Solutions

- Q4 Net sales 1,332 SEK M. Up with approx. 6 % compared to Q4 02
- Improved Q4 demand noted, particularly in Europe and certain industrial segments.
- Good order intake in Aero Segment
- Good sales growth in Asia/Pacific
- Several new products launched during H2 2003:
  - New polyurethan assortment for liquid fuel
  - Isolast® products for semiconductor applications

**Net sales, SEK M**

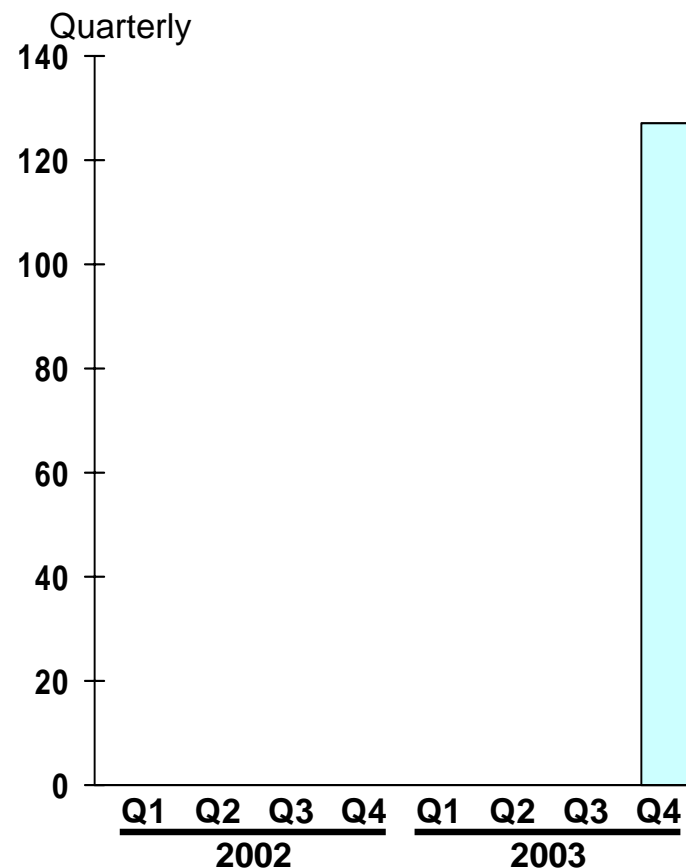


# Q4 profits well in line with expectations

## Trelleborg Sealing Solutions

- Q4 EBITA 127 SEK M were well in line with expectations
- During Autumn 2003 some 35 integration projects have been initiated in purchasing, mixing, marketing, distribution and IT.
- Actions for efficiency improvements have been concentrated towards consolidation of production with a number of restructuring actions underway.  
 After the full year period negotiations has started on closure of two UK production units (200 employees).  
 At the Malta production unit a significant efficiency program, incl. investments in new buildings and equipment is well underway

**EBITA, SEK M**



# Positive effects from TSS acquisition

## Trelleborg Sealing Solutions

- Efforts to retrieve cost related synergies of 100 MSEK well under way
- Other rationalization and efficiency programs defined
- Trelleborg EPS (excl goodwill amortization) strengthened already from first day of acquisition
- Effects on Trelleborg EPS for 2004, excluding goodwill amortization, is estimated to be significant (on a proforma basis when acquired 12.30 SEK for the group, 12 months)
- All actions to reach margin improvement goals earlier communicated are running according to expectations



# Full-year sales in line with expectations in North America

AUTOMOTIVE

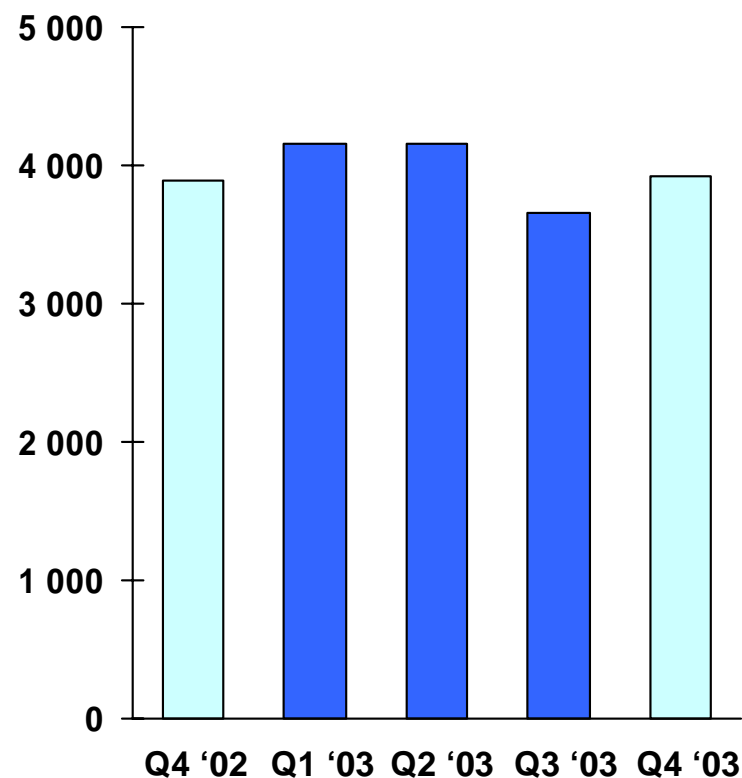
## North America, Light vehicles, Q4 change YoY

- Full-year sales of 16.6 mn units in line with expectations.
- Reduction of inventories of 100 000 units in the course of the year.
- Big Three lost another 1.2% points in market share, mainly to Asian OEMs.

### Change 02/03

	Quarterly	12 mth
Sales	1.0%	-1.1%
Production	0.7%	-2.8%

NA light vehicle production, thousand units



Note: Light vehicles comprises passenger cars, light trucks and light commercial vehicles  
 Source: JD Power, Dec 2003 and Ward's Jan 2004

# Close to flat car sales in Europe

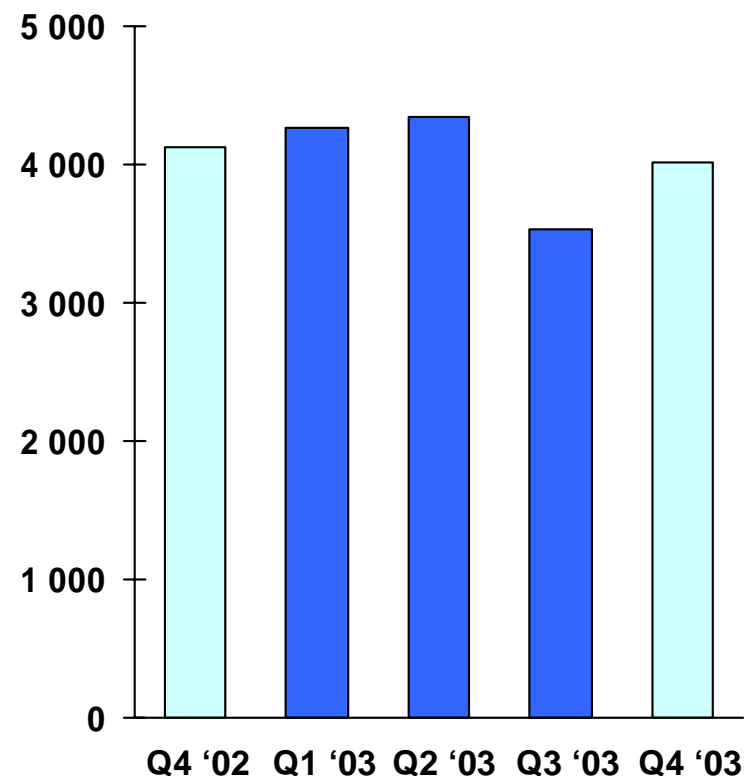
## Western Europe, Light vehicles, Q4 change YoY

- Manufacturers continue to counter the weak economic situation by aggressive marketing.
- The year had a surge in demand for small segment cars, while basic cars continued to decline.
- Full-year sales and production has been closely balanced.

### Change 02/03

	Quarterly	12 mth
Sales	-3.6%	-1.1%
Production	-2.6%	-1.7%

*Light vehicle production, thousand units*



Note: Light vehicles comprises passenger cars, light trucks and light commercial vehicles  
 Source: JD Power, Dec 2003 and ACEA Jan 2004.

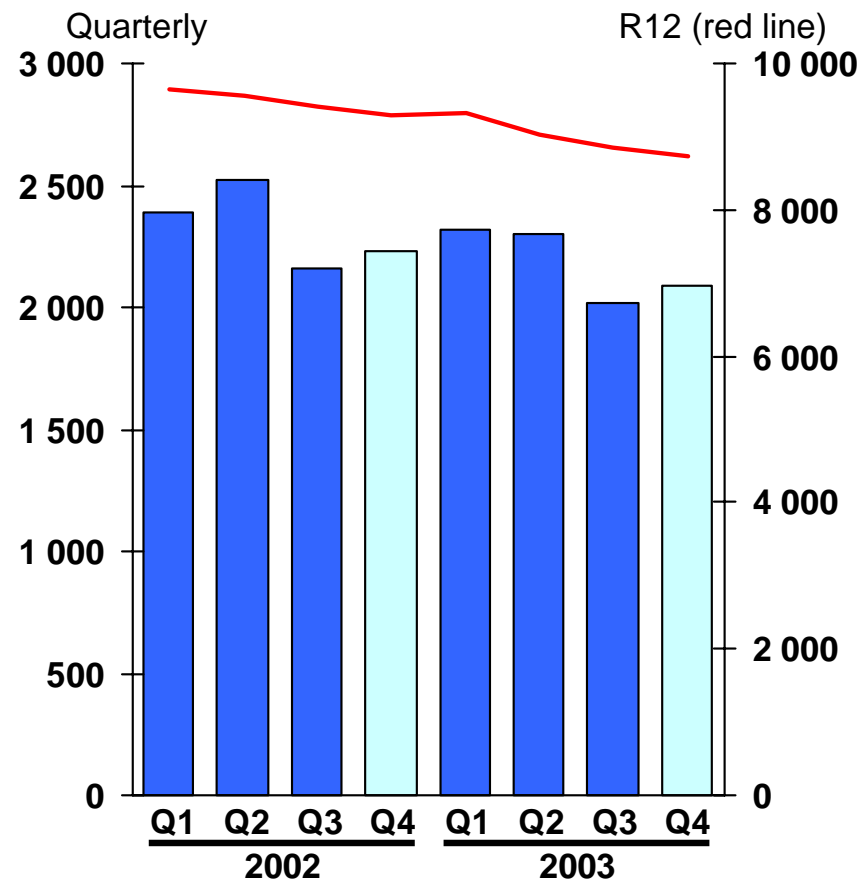
# Increased volumes in Europe/Asia compensates for US drop

AUTOMOTIVE

## Trelleborg Automotive

- 12 Months Net sales 8,721 SEK M (9,297). Currency adjusted sales In line with previous year.
- Increased sales in Europe
- Increased market shares Europe
- Strong sales in Asia
- Decrease in US sales due to lower car production
- Q4 Net sales 2,090 SEK M (2,228)

**Net sales, SEK M**



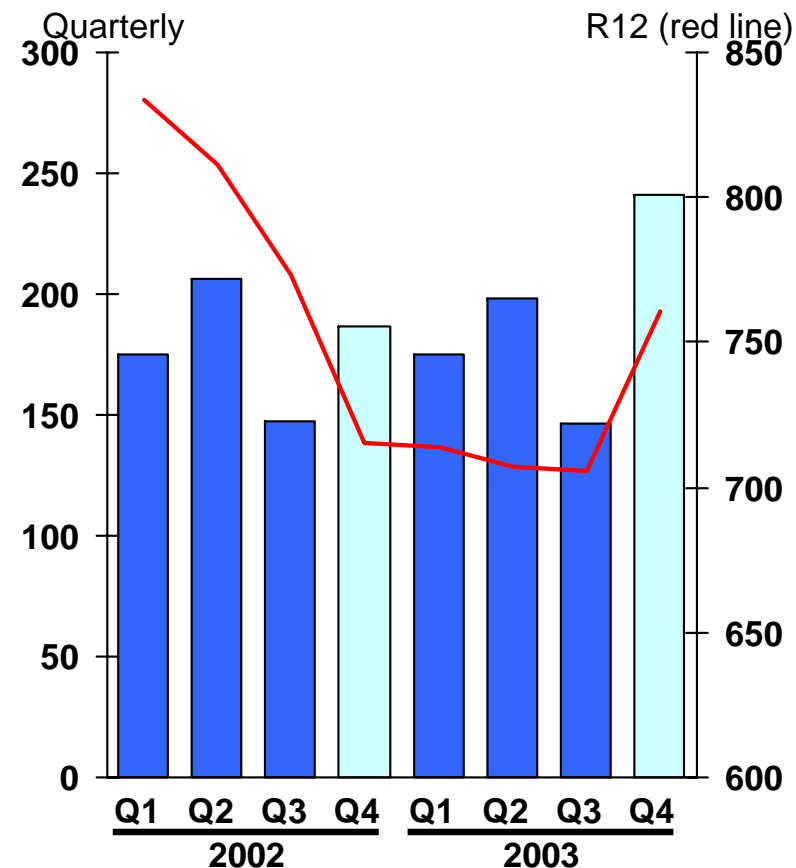
# Profits up through structural measures and European Sales

AUTOMOTIVE

## Trelleborg Automotive

- 12 months EBITA increased to 761 SEK M (715)
  - Expenses for Development activated to a value of 65 MSEK (30)
  - Positive impact from successful efficiency improvements and increased productivity
  - Increased contribution from Asia
  - Transfer of Logansport production proceeding according to plan
  - Q4 EBITA 241 SEK M (187)
- 
- Metzeler Hose acquisition completed
  - Order bookings for deliveries within the next three years continuously favorable

**EBITA, SEK M**

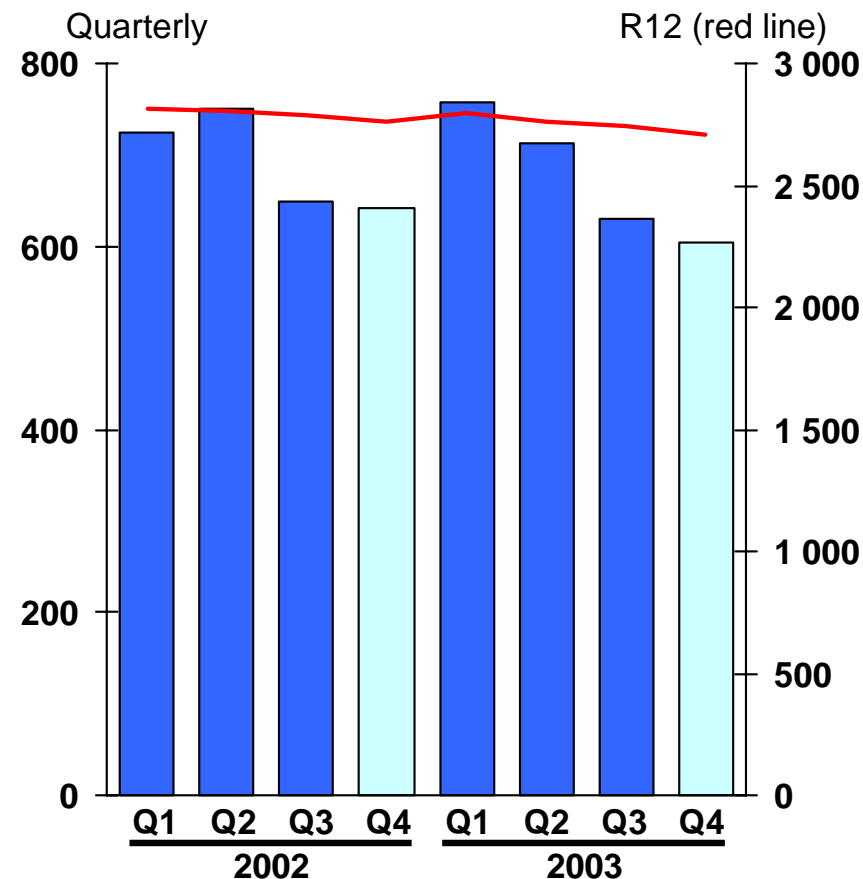


# Weak European Agri market continues to hurt

## Trelleborg Wheel Systems

- 12 Months Net sales 2,704 SEK M (2,764). Currency adjusted sales rose with nearly 3 %
- Continued weak demand for farm tires in the European aftermarket and an OE slowdown towards end of year
- Trelleborg gained market shares
- N America industrial tire sales pick up for OE continues, positive trend for aftermarket. European industrial tire sales were stable with good OE sales in Q4
- Continuously strong sales development in South America and Asia during the year.
- Q4 Net sales 605 SEK M (641)

**Net sales, SEK M**

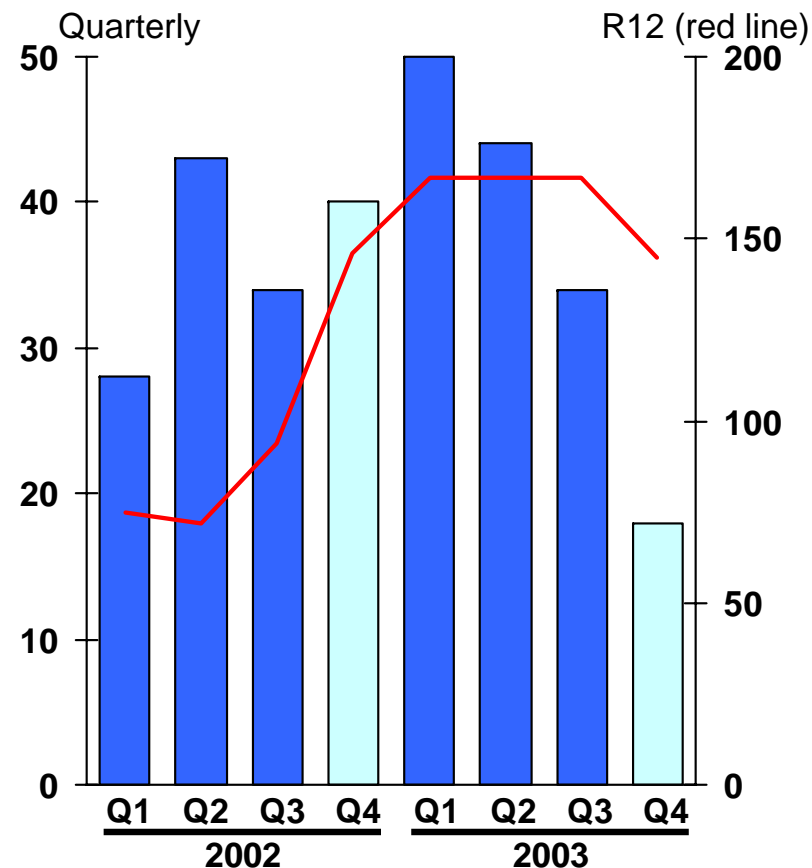


# Weak last quarter

## Trelleborg Wheel Systems

- 12 months EBITA 145 SEK M (146)
- Translation effects -12 MSEK
- Negative impact from weaker European market in Q4
- Increased raw material prices not fully compensated for
- Production cut-backs during Q4 to secure inventory balance. Costs 7 MSEK
- Cash flow 9 SEK M (161), partly affected by build up of working capital from a low level beginning of year.
- Q4 EBITA 18 SEK M (40)

### EBITA, SEK M

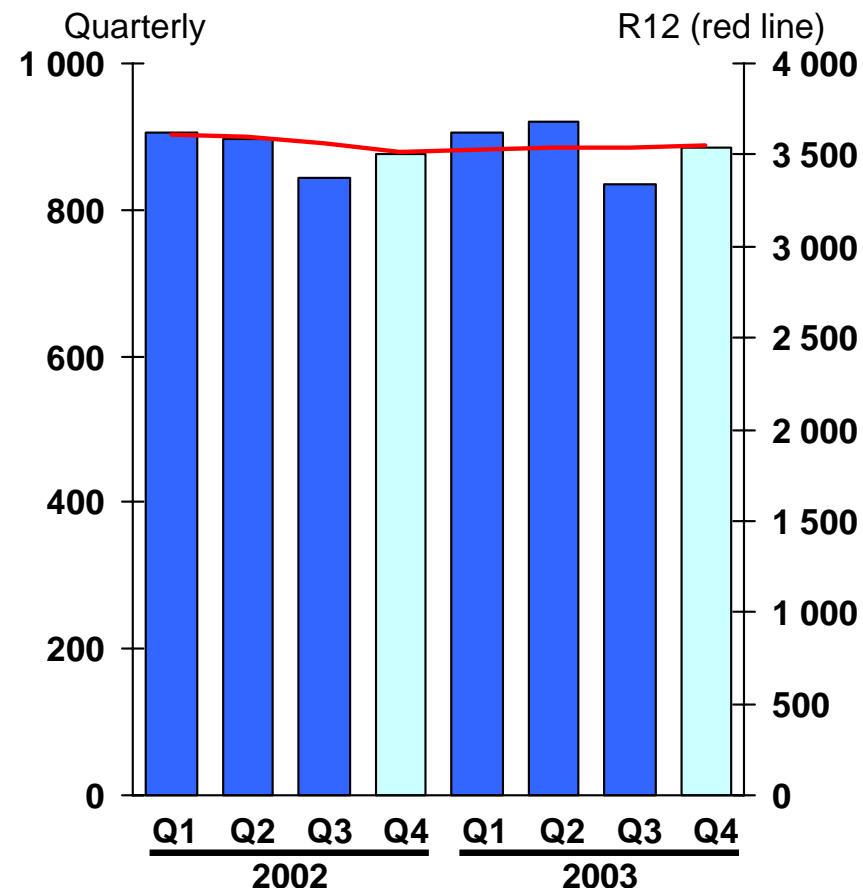


# Adjusted Sales up with 2 % for the full year

## Trelleborg Engineered Systems

- 12 Months Net sales increased to 3,548 SEK M (3,522). Currency adjusted sales rose with 2 %
- Strong sales development in project related products was partly offset by a weaker dollar and somewhat lower sales in Industrial Fluid Systems
- Q4 Net sales 886 SEK M (876)

**Net sales, SEK M**

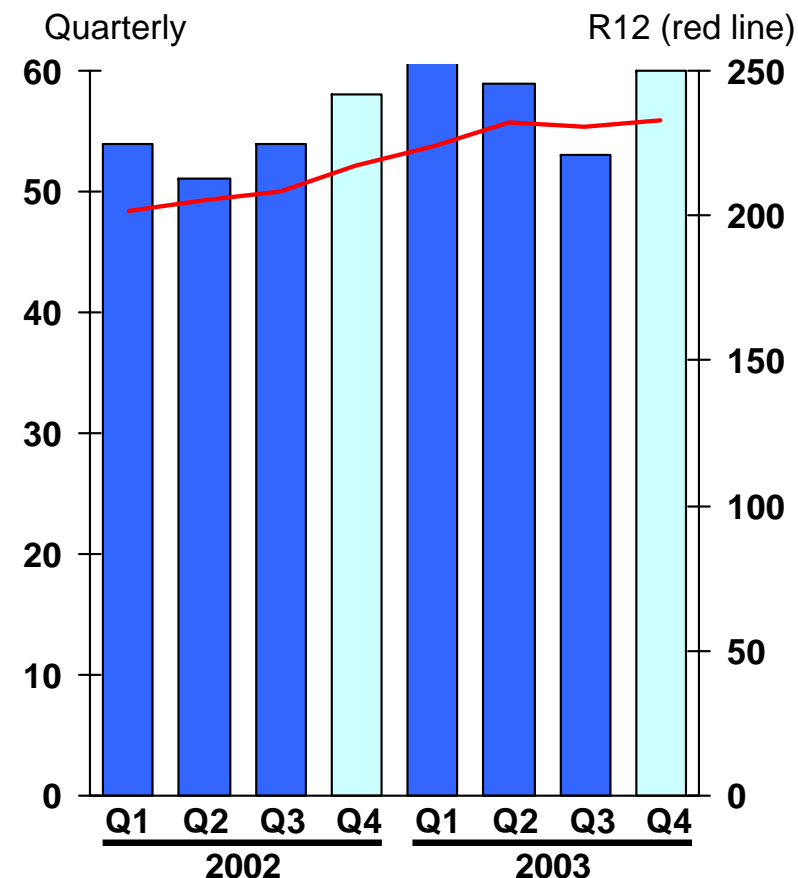


# Improved key figures fourth year in row

## Trelleborg Engineered Systems

- 12 months EBITA increased to 233 SEK M (217), up 7%
- Main drivers include
  - Increased productivity
  - Restructuring
  - Acquisitions
- Q4 EBITA 60 SEK M (58)
- Small French specialty hose producer acquired
- Organisational changes in the wake of the TSS acquisitions reinforces the BA with some 230 MSEK

**EBITA, SEK M**

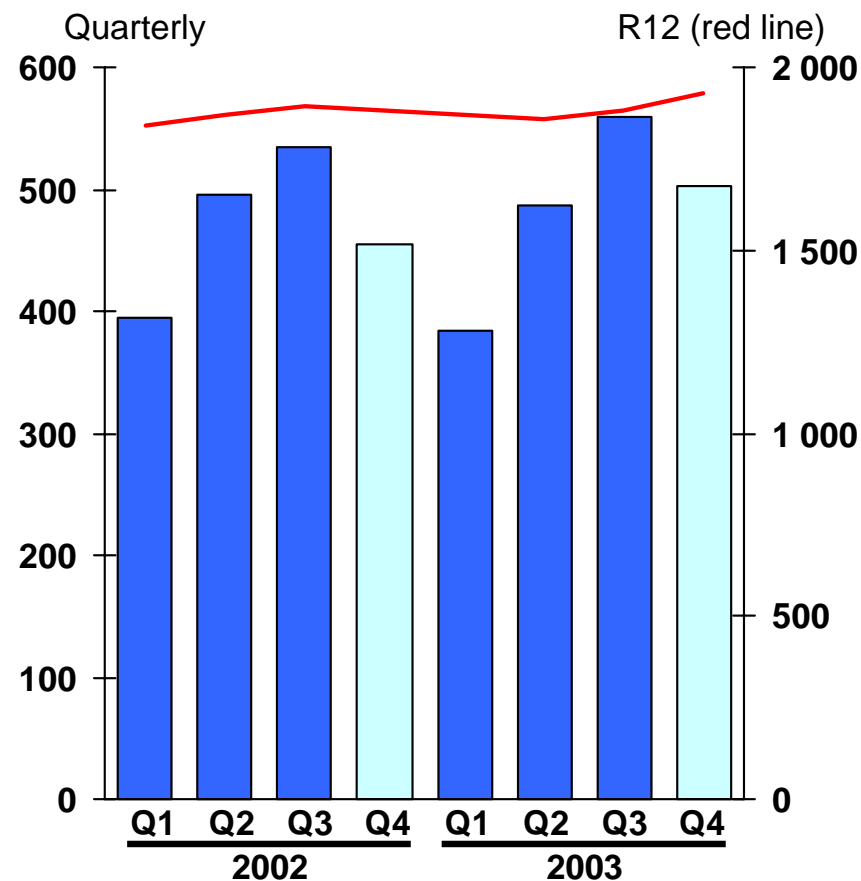


# Recovery of sales volumes due to market efforts

## Trelleborg Building Systems

- 12 Months Net sales 1,931 SEK M (1,880). Currency adjusted sales increased with 4 %
- Continuously weak demand in Sweden and Germany. Rest of Europe stable.
- Product launches and product development lead to increased market shares in Q4
- Q4 Net sales 502 SEK M (455)

**Net sales, SEK M**



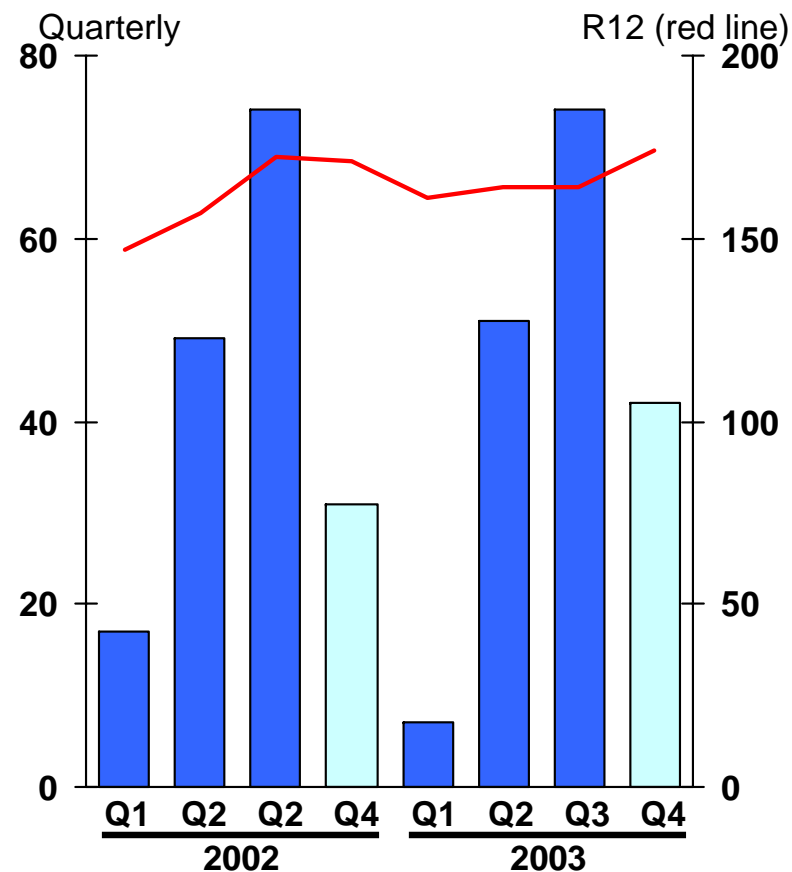
# Strong Q4 thanks to marketing efforts and acquisitions

BUILDING  
SYSTEMS

## Trelleborg Building Systems

- 12 months EBITA 174 SEK M (171)
- Q4 EBITA 42 SEK M (31)
- Main drivers:
  - Restructuring & production efficiency
  - Marketing efforts
  - Product development
  
- New business unit following the acquisition of PSS, from January 1 2004: Pipe Seals, approx 290 employees and sales of 300 MSEK

**EBITA, SEK M**



- Holdings in Boliden AB divested
- Full year contribution from Trenor 156 MSEK (106)
  - Book value of shares 353 MSEK
  - Good results and strong cash flow despite disappointing underlying markets
  - Positive effect from margin improving actions in Ahlsell
- 272 500 shares repurchased during the year
  - Total number of shares at year end 91,470,418. Trelleborg holdings is 7,179,100.

# Board Proposals to AGM

GROUP

- Dividend proposed to be 4.50 SEK (4.25)
  - The proposed dividend, totally 404 MSEK, corresponds to approx. 58 % of net profits.
- New Board Members - Claes Lindqvist, Höganäs and Heléne Bergquist, Electrolux
  - Dirdrik Normark (elected 1994) and Ann-Christine Alebertsson (elected 1999) will decline reelection

# Trelleborg Group – Income Statements

GROUP

## Income Statements

Group SEK M	Oct - Dec		Full year	
	2003	2002	2003	2002
Net sales	5 351	4 114	17 960	17 630
Cost of goods sold	-3 939	-3 182	-13 672	-13 762
<b>Gross profit</b>	<b>1 412</b>	<b>932</b>	<b>4 288</b>	<b>3 868</b>
Selling, administration and R&D costs	-1 150	-762	-3 448	-3 145
Items affecting comparability	-	-32		-75
Other operating revenues and expenses	70	45	180	158
Result from participation in associated companies	76	47	188	140
<b>Operating profit</b>	<b>408</b>	<b>230</b>	<b>1 208</b>	<b>946</b>
Financial income and expenses	-68	-23	-141	-119
Items affecting comparability related to Boliden	-	9	24	-150
<b>Profit after financial items</b>	<b>340</b>	<b>216</b>	<b>1 091</b>	<b>677</b>
Tax	-114	-110	-371	-253
Minority shares	-6	-4	-18	-14
<b>Net profit</b>	<b>220</b>	<b>102</b>	<b>702</b>	<b>410</b>

*Approx. 3 % of  
average net debt*

*Tax rate 34 %  
Paid tax 12 %*

# Operating cash flow

GROUP

## Trelleborg Group, SEK M

	Operating result, excl. assoc. companies & items affecting comp.	Depre- ciations, excl. goodwill	Goodwill depre- ciation	Gross invest- ments	Fixed assets sold	Change in working capital	Total cash flow	
							Jan - Dec 2003	Jan - Dec 2002
Trelleborg Automotive	626	346	104	-393	71	-14	740	503
Trelleborg Wheel Systems	129	110	16	-113	4	-137	9	161
Trelleborg Engineered Systems	212	112	21	-91	4	13	271	281
Trelleborg Building Systems	155	45	18	-47	4	8	183	225
Sealing Solutions	65	52	60	-40	-1	-64	72	
Group items	-154	3		-3	5	8	-141	-135
Other companies	-13	8			10	-10	-5	1
<b>Operating cash flow</b>	<b>1 020</b>	<b>676</b>	<b>219</b>	<b>-687</b>	<b>97</b>	<b>-196</b>	<b>1 129</b>	<b>1 036</b>
Acquisitions							-6 445	-133
Divestments							87	127
Restructuring measures, incl. in acquired units							-226	-457
Dividend to shareholders							-355	-347
Dividend to minority							-27	-2
Options and share repurchases							-15	-218
Financial items							117	88
Taxes							-135	-25
<b>Total net cash flow</b>							<b>-5 870</b>	<b>69</b>

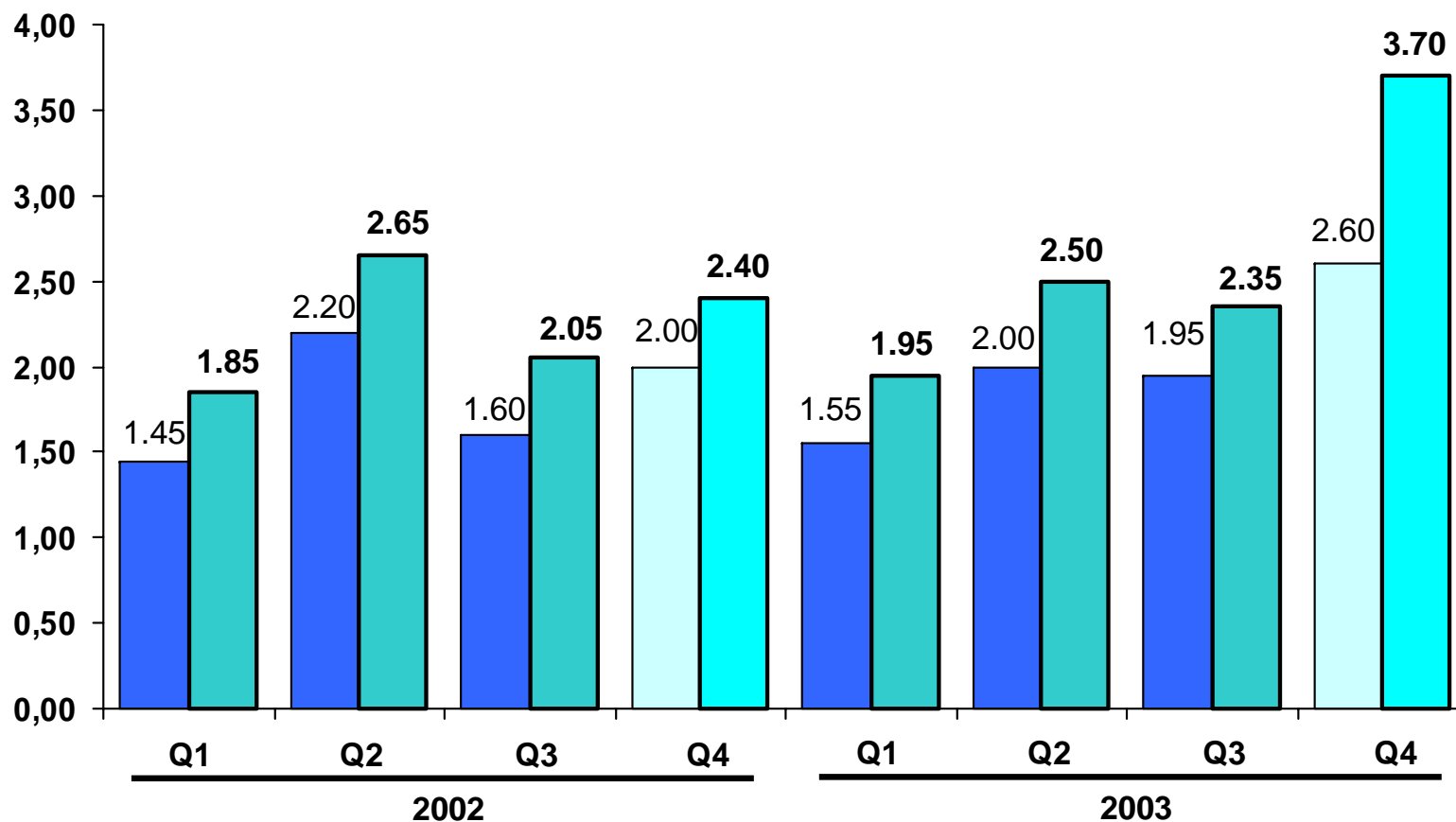
77% of  
depreciation

SEK M -48 in  
2002

# Q4 EPS excl goodwill depr. up 54 % - 3.70 SEK (2.40)

GROUP

Earnings per share, excluding non-comparable items, **Blue** and also excl goodwill depreciation, **Turquoise**, SEK



EPS, excl. non comp. items & goodwill depr., R12

8.65	9.00	9.05	8.95	9.05	8.90	9.20	10.50
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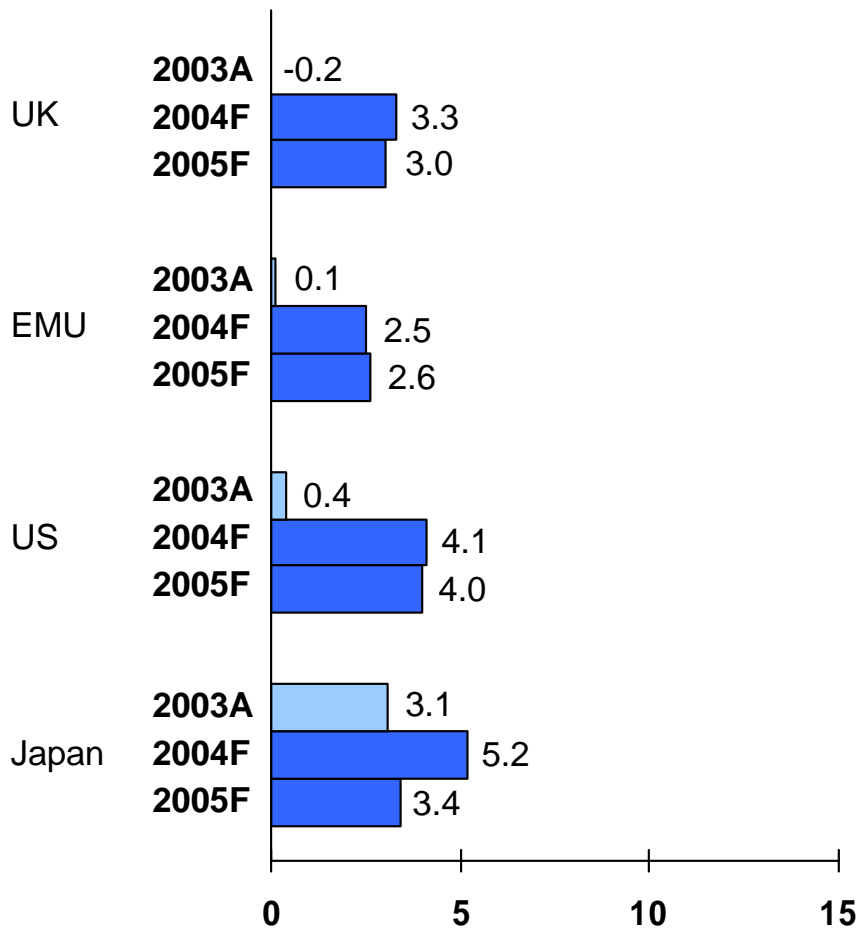
# Forecasts expects IP growth in 2004 and 2005...

GROUP

## Industrial Production; Selected developed and developing countries; 2003A-2005F

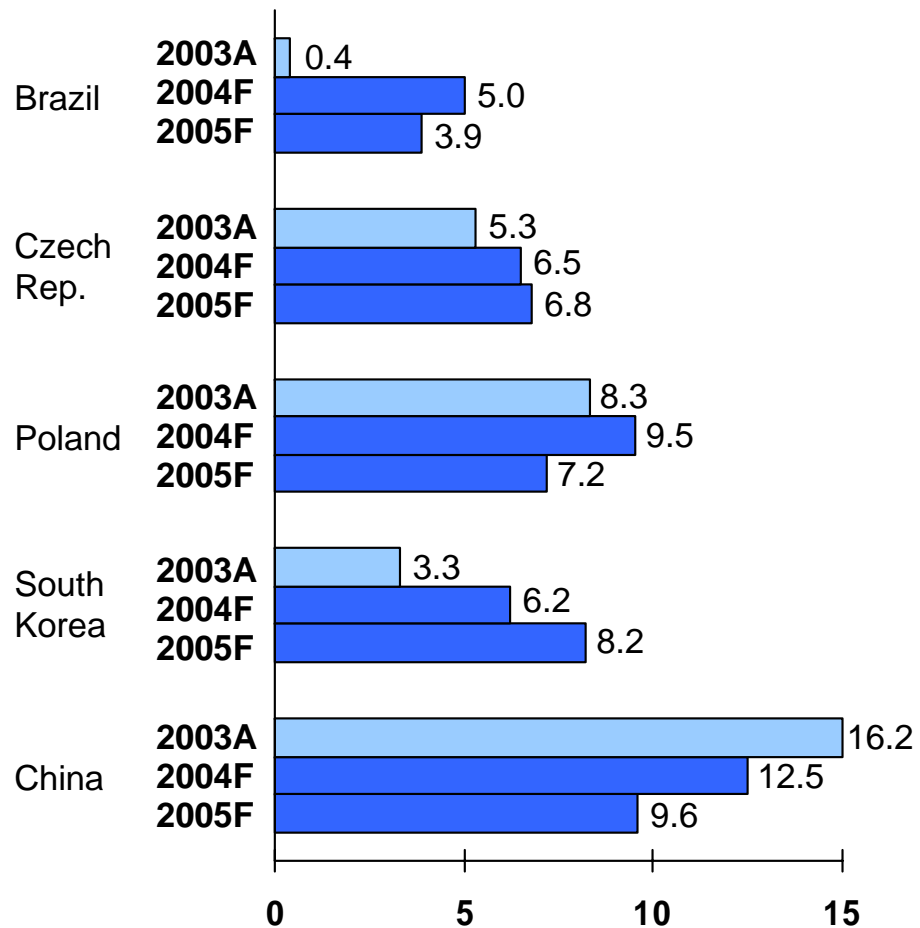
### Developed countries

Percentage change



### Developing countries

Percentage change



# Gradually improved Market Conditions

## Outlook

- Gradual improvement of market conditions expected during 2004
- Efficiency programs are underway or under evaluation to facilitate margin improvements earlier communicated:
  - Effects from Automotive North America – partly -04, full -05
  - Effects from Sealing Solutions – partly -04 - -05, full -06
- Organic growth and bolt-on acquisitions prioritized.

Group SEK M	Dec 31 2003	Dec 31 2002
Intangible fixed assets	7 154	2 657
Tangible fixed assets	5 778	4 977
Financial fixed assets	1 210	1 108
Inventories	2 715	2 082
Receivables	5 000	4 091
Liquid funds	999	485
<b>Total assets</b>	<b>22 856</b>	<b>15 400</b>
Shareholders' equity	7 452	7 284
Minority interest	152	125
Provisions	1 174	1 035
Long-term liabilities	9 419	3 274
Current liabilities	4 659	3 682
<b>Total shareholders' equity, provisions and liabilities</b>	<b>22 856</b>	<b>15 400</b>