

Welcome to Nine Months Report Update

October 26, 2004



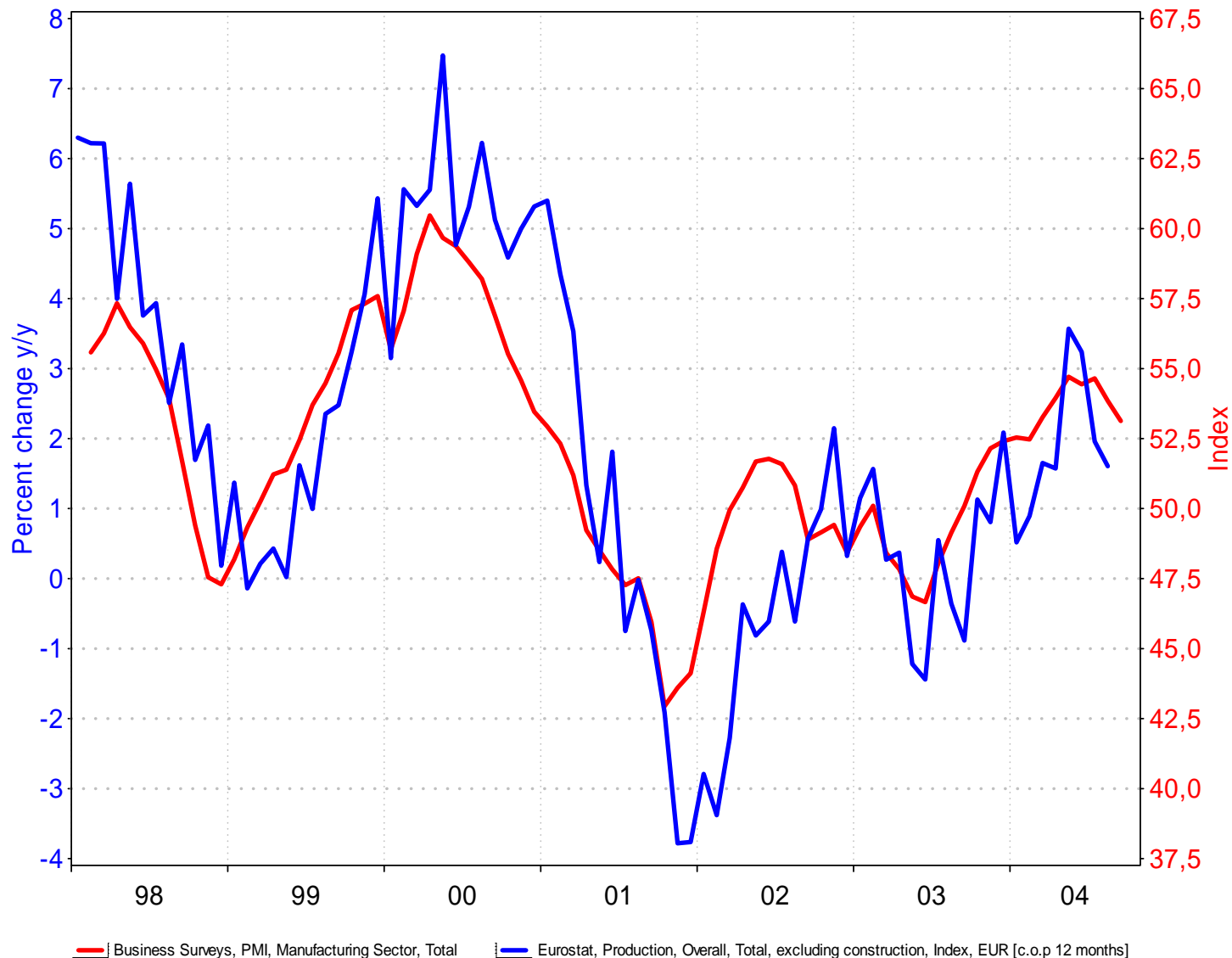

TRELLEBORG

Highlights from Nine-months Report 2004

- ▼ **Net sales rose by 38 percent. All business areas, except Automotive, had organic growth of 2-7 %.**
- ▼ **Nine Month Operating profit (excl goodwill amort in present structure) 1,333 MSEK up by 61 %.**
- ▼ **Q3 profit before tax (excl goodwill amort in present structure) up +36 %
321 (236)**
- ▼ **Strong Operating Cash Flow 1,090 MSEK (630).**
- ▼ **R12 EPS excl goodwill amort. in present structure but incl. proforma interest on contribution from Trenor sale amounted to 12.60 SEK.**
- ▼ **Proposed restructuring program: Production moved from tire unit in Trelleborg, review of northern European Mixing facilities, select actions in Automotive Europe.
Costs for entire program MSEK 495 before tax and 340 after tax, of which MSEK 160 will affect cash flow. The positive effect on profits will amount to approx. MSEK 100 at EBITA level, with full impact in 2006.**

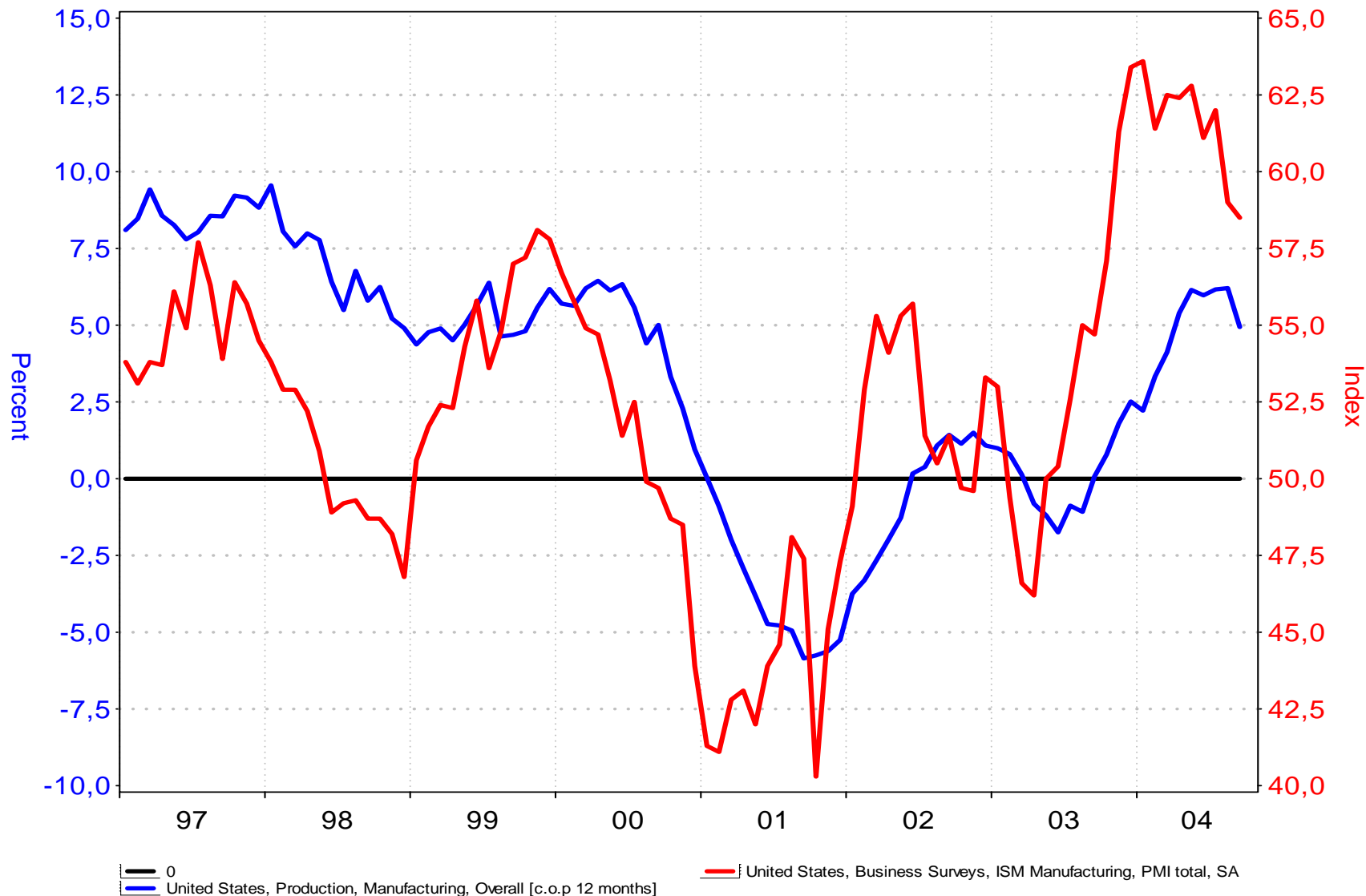
EMU Purchasing managers index vs Ind. Production

GROUP



USA ISM Purchasing Managers index vs Ind Production

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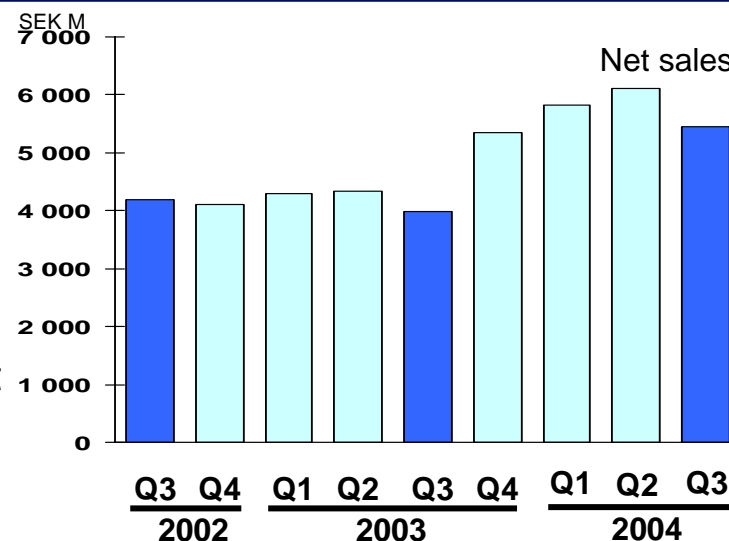


Good Earning Improvement Despite High Raw Materials

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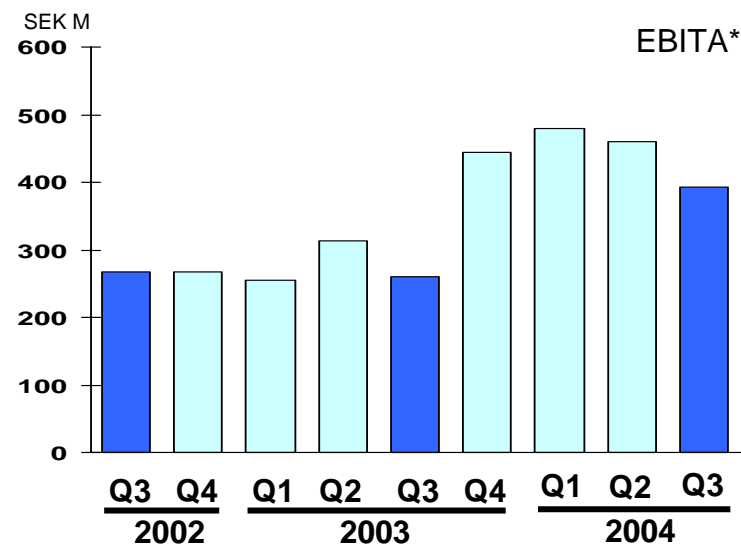
Group net sales

- Q3 Sales up 37% - 5,460 SEK M (3,978)
- 9 months Net Sales rose 38% to 17,383 MSEK (12,609)
- 9 months Organic Growth amounted to 2 percent



Group Results

- Q3 EBITA* up 51 % to 393 SEK M (261)
- Q3 EBT* up 36 % to 321 SEK M (236)
- 9 Months EBITA* up 61 % to 1,333 SEK M (828)
- 9 Months EBT* up 46 % to 1,104 SEK M (755)

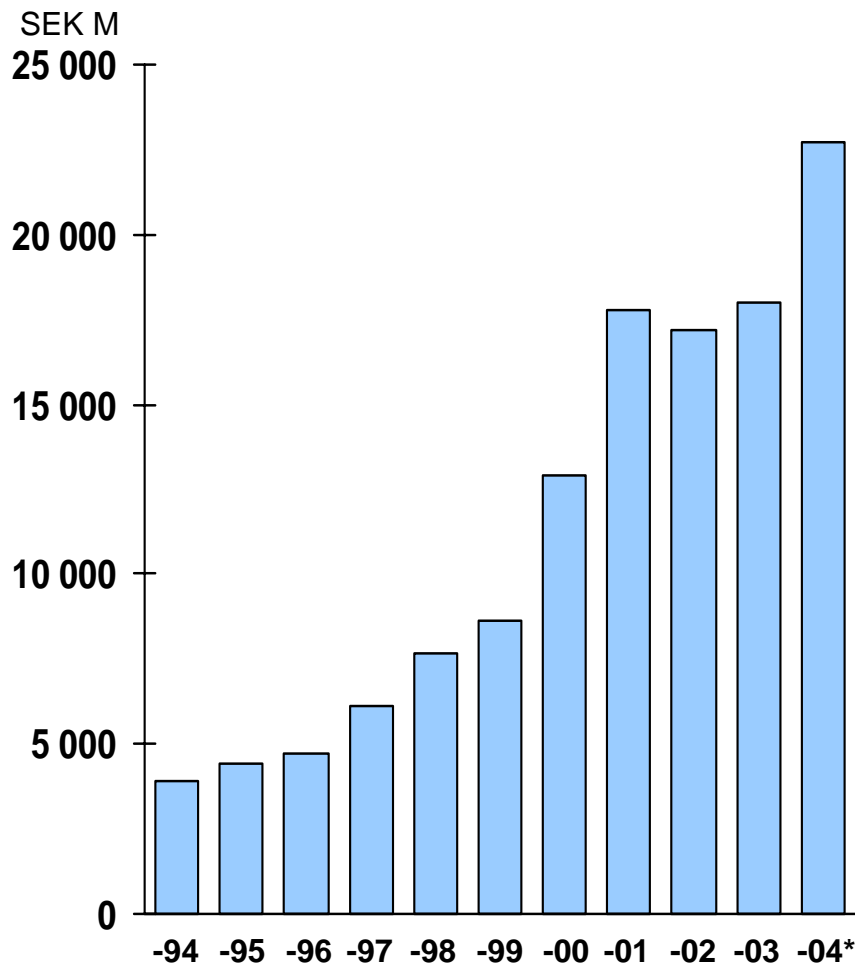


*Excl goodwill depreciation and result from divestments

A combination of acquired and organic growth

GROUP

Total average growth per year approx. 18 % in present structure



Organic Growth, Nine months 2004

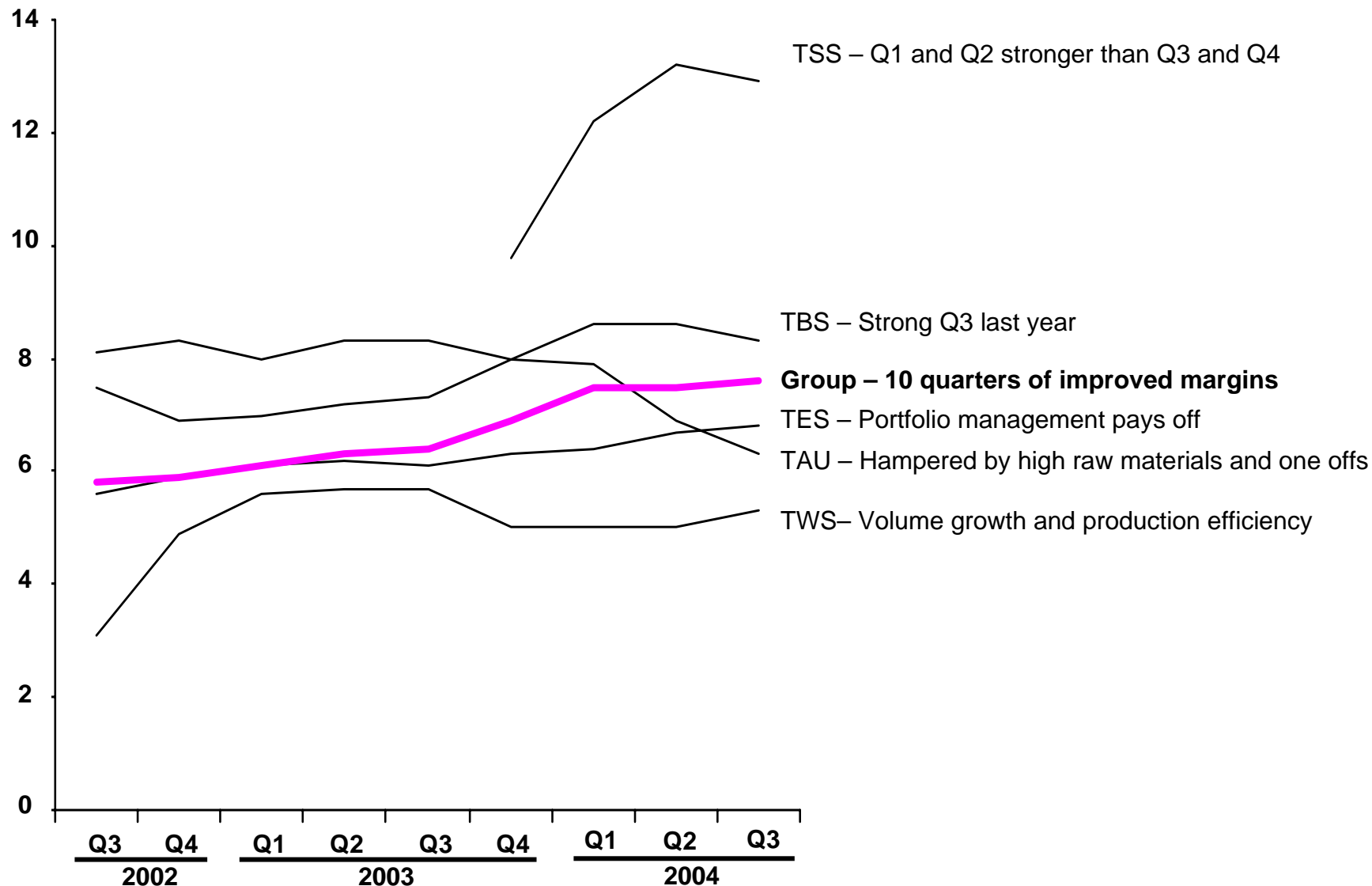
Trelleborg Automotive	-1 %
Trelleborg Wheel Systems	+7 %
Trelleborg Eng. Systems	+4 %
Trelleborg Building Systems	+2 %
Trelleborg Sealing Solutions	+7 %
<i>Trelleborg Group, 9 Months</i>	+2 %
<i>Trelleborg Group, Q3</i>	+2 %

*R12, Sept 2004

10 quarters of improved group margins

GROUP

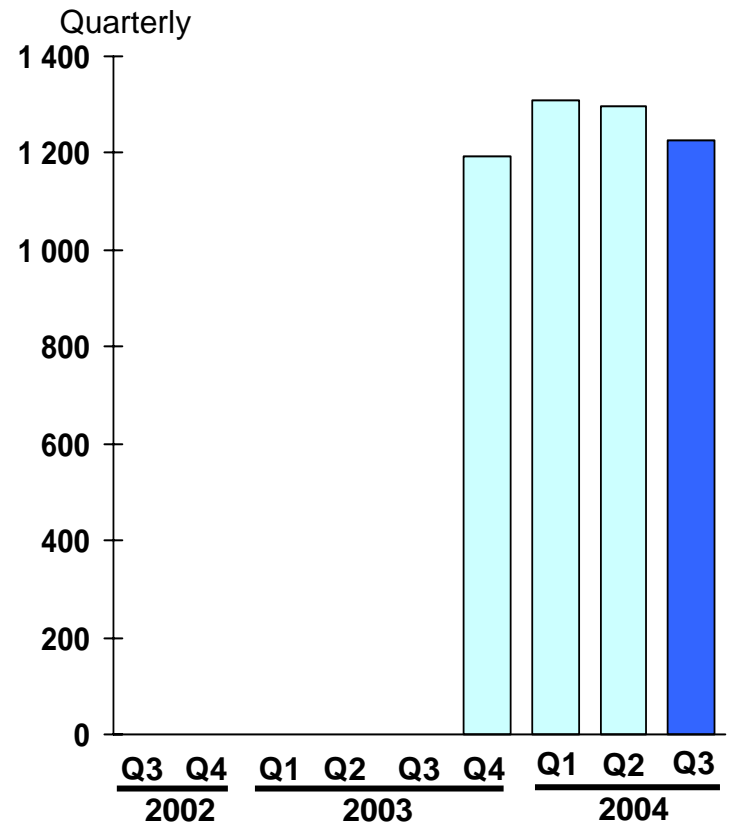
ROS Operating Margin, quarterly, R12



Trelleborg Sealing Solutions

- Q3 Net sales 1,228 SEK M. Up 7 % compared to Q3 2003
- Continuously favourable demand situation in all main markets – US, Europe and Asia
- In Q3 sales rose in all three regions
Most significant increase in Germany where demand, driven by export, was strong
Strong sales growth also in China and Japan, with growth rates above the underlying markets
- A new product, Glydring® P, was launched. A seal for heavy mobile hydraulics, which offers both improved performance and longer lifetime.

Net sales, SEK M

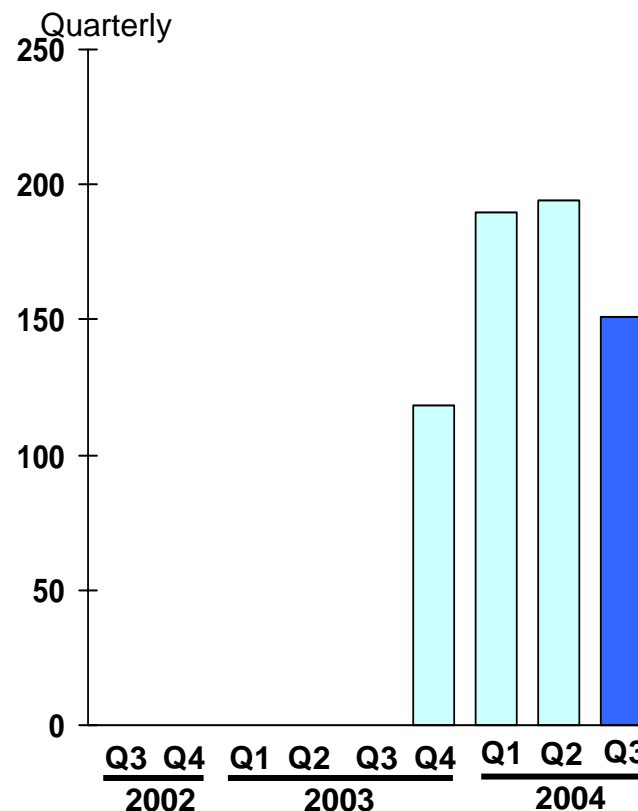


Continued strong profit generation

Trelleborg Sealing Solutions

- Q3 EBITA 151 SEK M
- TSS Supply chain concept has effected development in Europe positively. A new logistic center has opened in US.
- All integration projects run according to plan with expected effects. During the first nine months integration efforts effected results positively by approx. 40 MSEK
- In UK the Milford Haven unit is closed and sold. The closure of Ross-on-Wye, UK, is expected to be completed in Q1 2005.

EBITA, SEK M

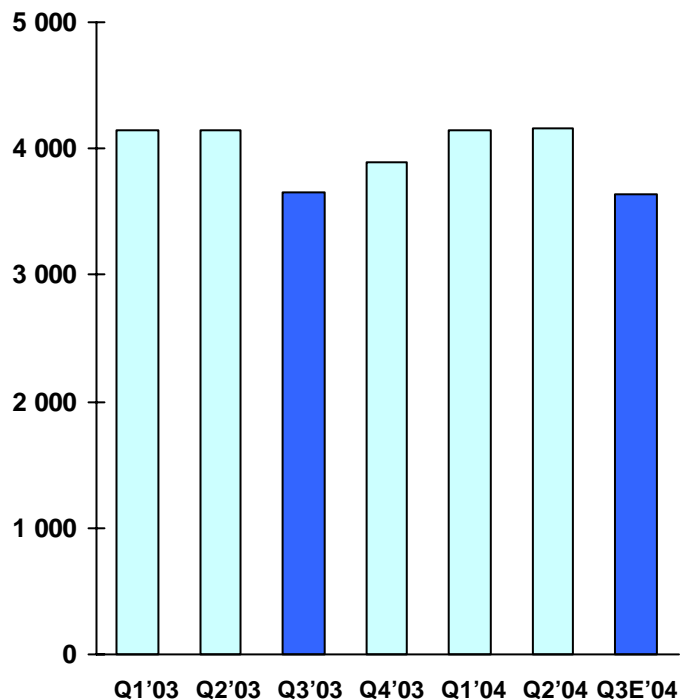


Main Automotive markets flat

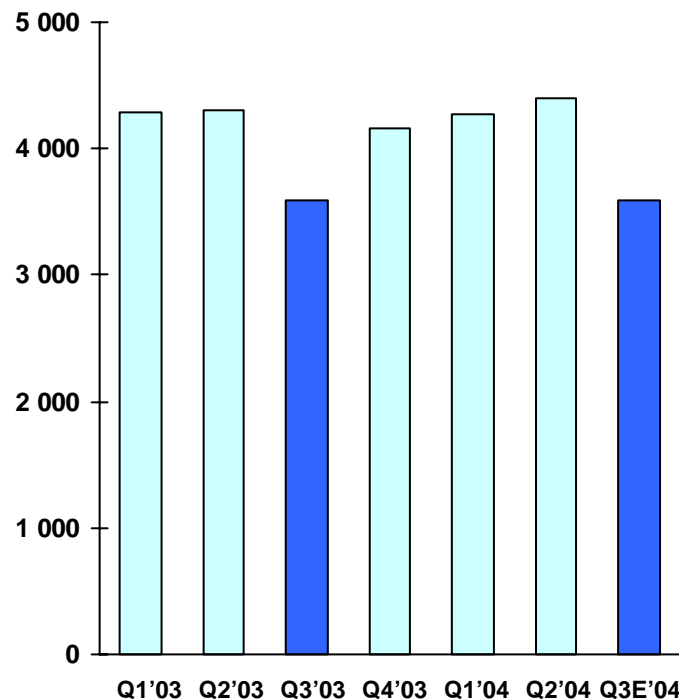
AUTOMOTIVE

Light vehicles, Quarterly change YoY

NA light vehicle production, thousand units



W Europe light vehicle production, thousand units



	<u>Q3 YoY</u>	<u>Q1-Q3 YoY</u>
Sales	-0.7%	1.2%
Production	-0.6%	-0.2%

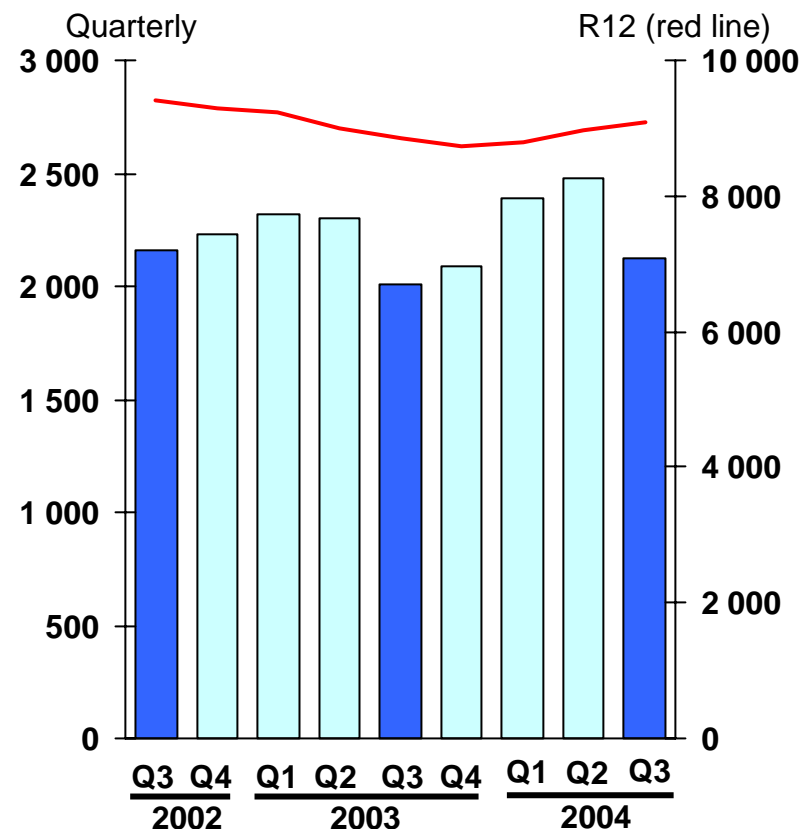
	<u>Q3 YoY</u>	<u>Q1-Q3 YoY</u>
Sales	-2.3%	1.5%
Production	0.3%	0.7%

Note: Light vehicle sales comprises passenger cars, light trucks and light commercial vehicles
 Source: J.D. Power; Ward; ACEA; Trelleborg analysis

Trelleborg Automotive

- Nine month Net Sales 6,995 MSEK (6,631)
- Metzeler acquisition main driver behind sales increase
Comparable currencies/units -1 %
Q3 Net sales 2,122 SEK M (2,014).
- Trelleborg Automotive's nine month total sales volumes were largely unchanged compared to previous year and in line with underlying markets
- New organization implemented – two global BU's

Net sales, SEK M



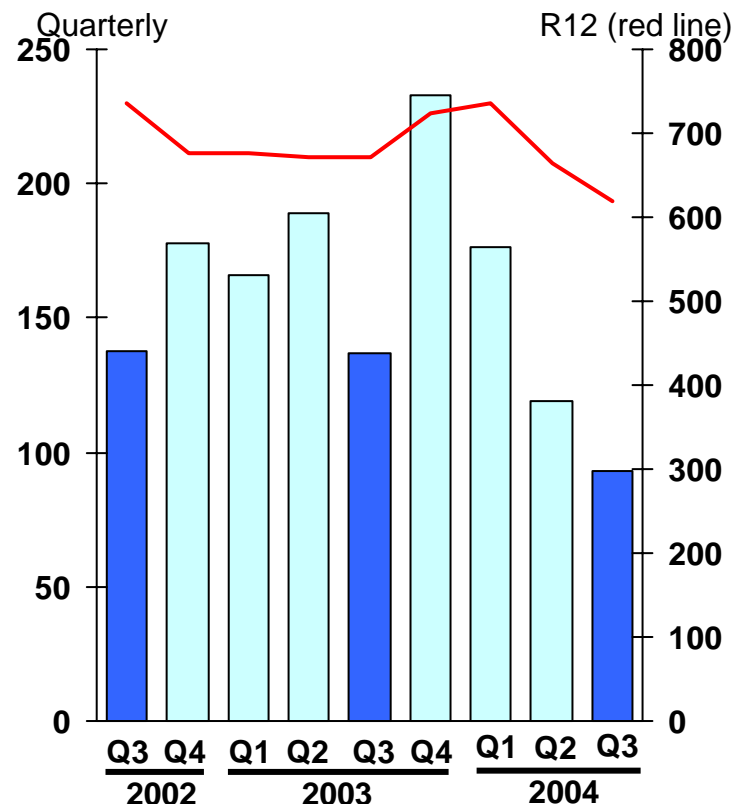
Raw materials put pressure on margins

AUTOMOTIVE

Trelleborg Automotive

- Nine month EBITA 388 MSEK (493)
Q3 EBITA amounted to 93 SEK M (138)
- Increased productivity and restructuring measures could not fully compensate for higher polymer raw material costs and increased steel related costs
- Efficiency efforts, consolidation of suppliers, design changes and price increases are actions to counter increased raw material prices
- Shanghai Tech Center opened

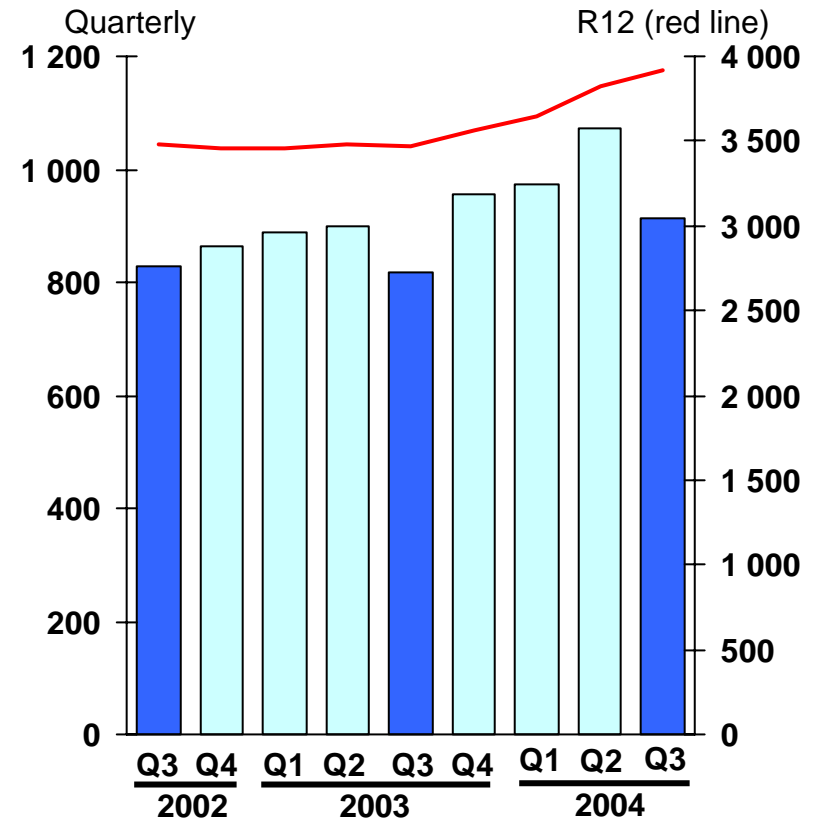
EBITA, SEK M



Trelleborg Engineered Systems

- 9 month Net Sales 2,957 MSEK (2,609)
Comparable currencies/units + 4 %.
Q3 Net sales 912 SEK M (819).
- Continuously improved sales in both
Industrial Supply and project related
business
- Project deliveries slightly lower in Q3
but good order entry
- A number of interesting project orders:
 - Fire-proofing products to Siberia
 - Noise reduction products to speed
trains in Hong Kong and Taiwan

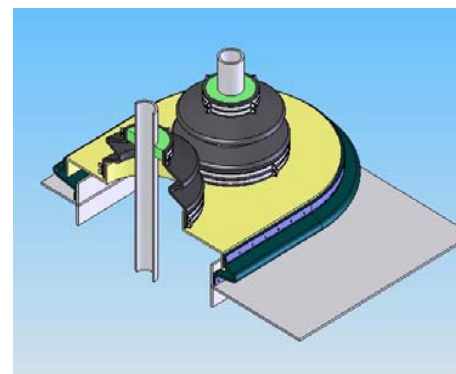
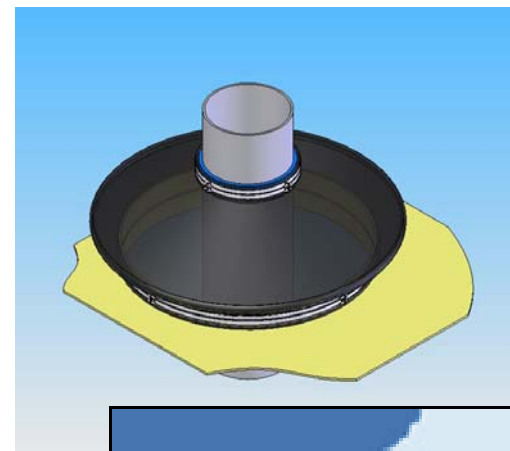
Net sales, SEK M



Fire protection in Sakhalin, East Siberia

GROUP

- **Customer:** SEIC – Sakhalin Energy Investment Company (Shell)
Our main interface via Aker Kvaerner
- **Value:** 30-35 MNOK
- **Delivery period:** 7-8 months (end June 05)
- **Scope:** 250 custom design seals
- **Application/requirements:**
Extreme fire resistance and 3-dimensional movement requirements to withstand also earthquake. Situated on top of GBS where the risers interface with the top side.

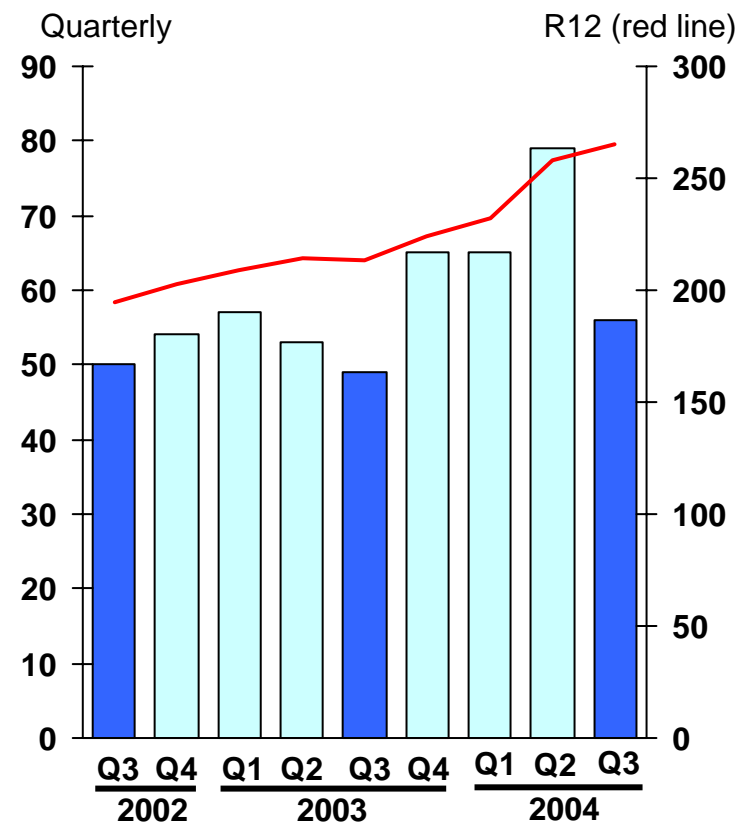


Continuously improved EBITA, up 14 %

Trelleborg Engineered Systems

- Nine month EBITA 200 MSEK (159)
Q3 EBITA 56 SEK M (49), up 14%
- Continuously improved earnings in project related business.
Stable and positive earnings development in Ind Fluid Systems through focusing on products with high technical content
- Sales of Moulded goods had a very good development and the new units (from TSS) Forsheda and Mörbylånga continued to contribute positively both in sales and profit.

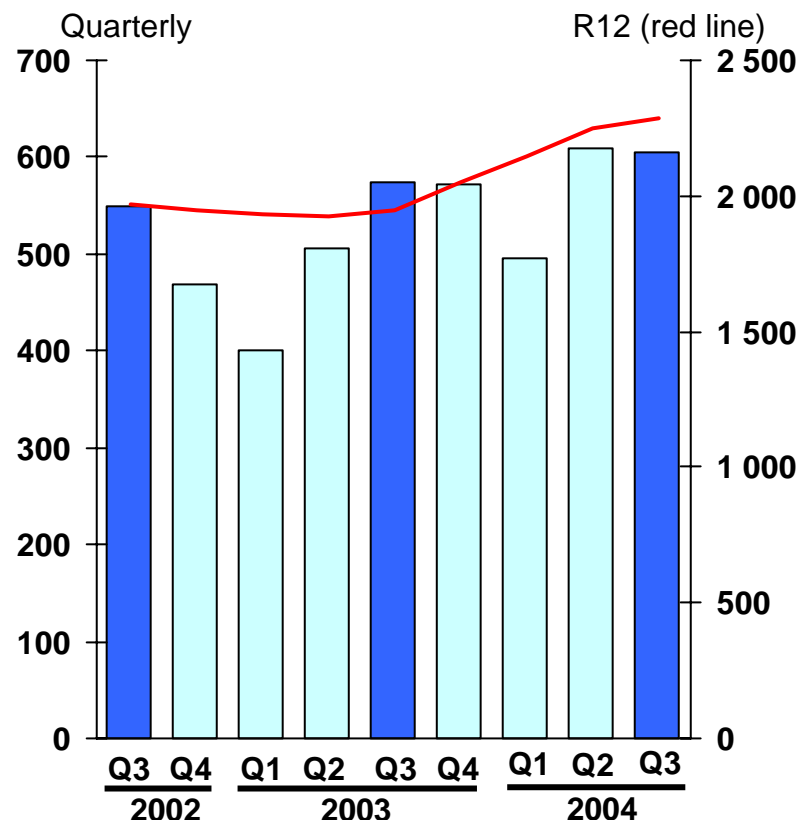
EBITA, SEK M



Trelleborg Building Systems

- 9 month Net Sales 1,711 MSEK (1,481) Currency/comparable units + 2%. Q3 Net sales 606 SEK M (575).
- Mixed demand in Europe:
 - Denmark relatively weak
 - Positive in rest of Nordic Countries
 - Weak demand in Germany
- Good sales in Roofing and Pipe Seals
- Batek acquired after period (Sales 10 MSEK). The acquisition strengthens Pipe Seals in Nordic aftermarket

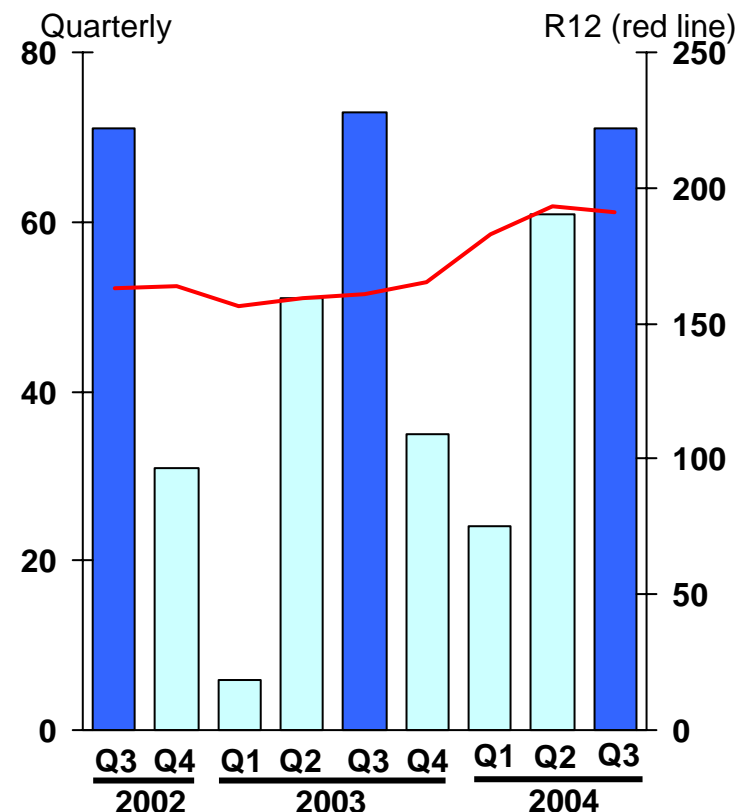
Net sales, SEK M



Trelleborg Building Systems

- Nine month EBITA 156 MSEK (130)
Q3 EBITA 71 SEK M (73)
- Negative effects on result from rationalisations in Sweden and a weak German market were partly compensated through better sales in Roofing and Pipe Seals. Swedish rationalisations will contribute positively as of early 2005
- Negotiations on production structure in UK initiated – closure of Telford unit and move of production to Minworth. 50 employees effected, completion during 2005.

EBITA, SEK M

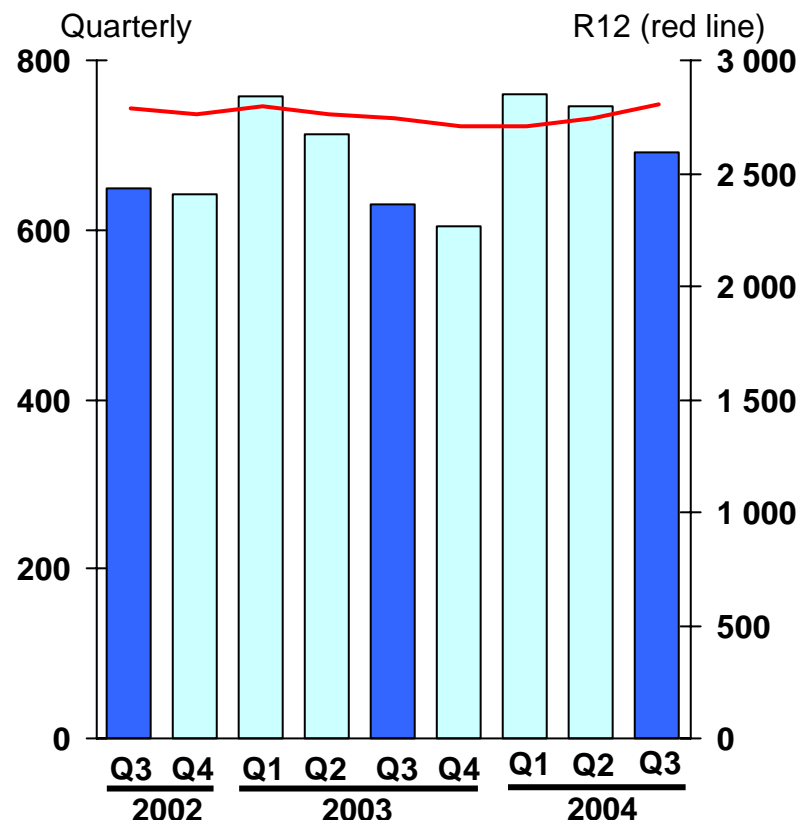


Improved sales in both BUs, Organic Growth 7 %

Trelleborg Wheel Systems

- 9 month Net Sales 2,197 MSEK (2,099)
Comparable currencies/units + 7%.
Q3 Net sales 692 SEK M (629).
- Positive trend in European Agri aftermarket continued. Positive trend in Q3 also for OE. General trend of radial technology gaining share over x-ply continues.
- Strong European sales for both OE and aftermarket in Industrial tires. Sales increased also in North America where a generally positive demand on OE now also is evident in aftermarket.

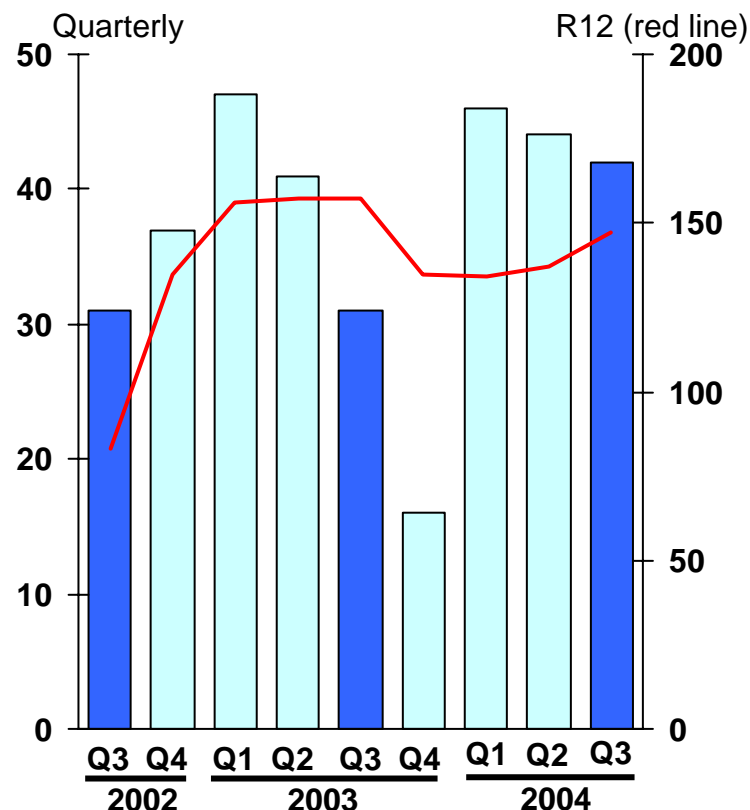
Net sales, SEK M



Trelleborg Wheel Systems

- Nine month EBITA 132 MSEK (120)
Q3 EBITA 42 SEK M (32)
- Growth in volumes and good production efficiency main drivers behind earnings improvement
- Price adjustments in the quarter are implemented in a number of market segments further reducing negative effects from raw materials

EBITA, SEK M



Trelleborg initiates negotiations with the affected unions on closure of tire manufacturing at Trelleborg site

The background:

- Diminishing market for cross ply agricultural tires
- Labour intensive manufacturing, competition from low-cost countries

Production transferred to existing and new outsourcing partners during 2005. Also extended development of radial tire substitutes at Trelleborg Radial site in Italy.

Capacity adjustments for support functions, warehousing etc at site.

200 jobs will be affected, approx. 130 in production, 70 in administration.

Project is expected to be completed at the end of 2005.

In addition certain measures within Trelleborg Automotive, mainly the write down of properties in Breuberg (manning has decreased from 700 to 350, utilisation halved)

Trelleborg Site

Cost SEK 320 M before tax, SEK 125 M will affect cash flow, primarily during 2005. The costs will be charged against earnings for the fourth quarter of 2004. Positive effect on profits approx. SEK 75 M before tax, with full impact in 2006, of which approximately SEK 70 M will affect cash flow.

Automotive

Mainly write downs of buildings in Breuberg but also continuously planned reduction of personnel. Cost SEK 175 M before tax, SEK 35 M will affect cash flow. Positive effect on profits approx. SEK 25 M before tax, with full impact in 2006, SEK 20 M will affect cash flow.

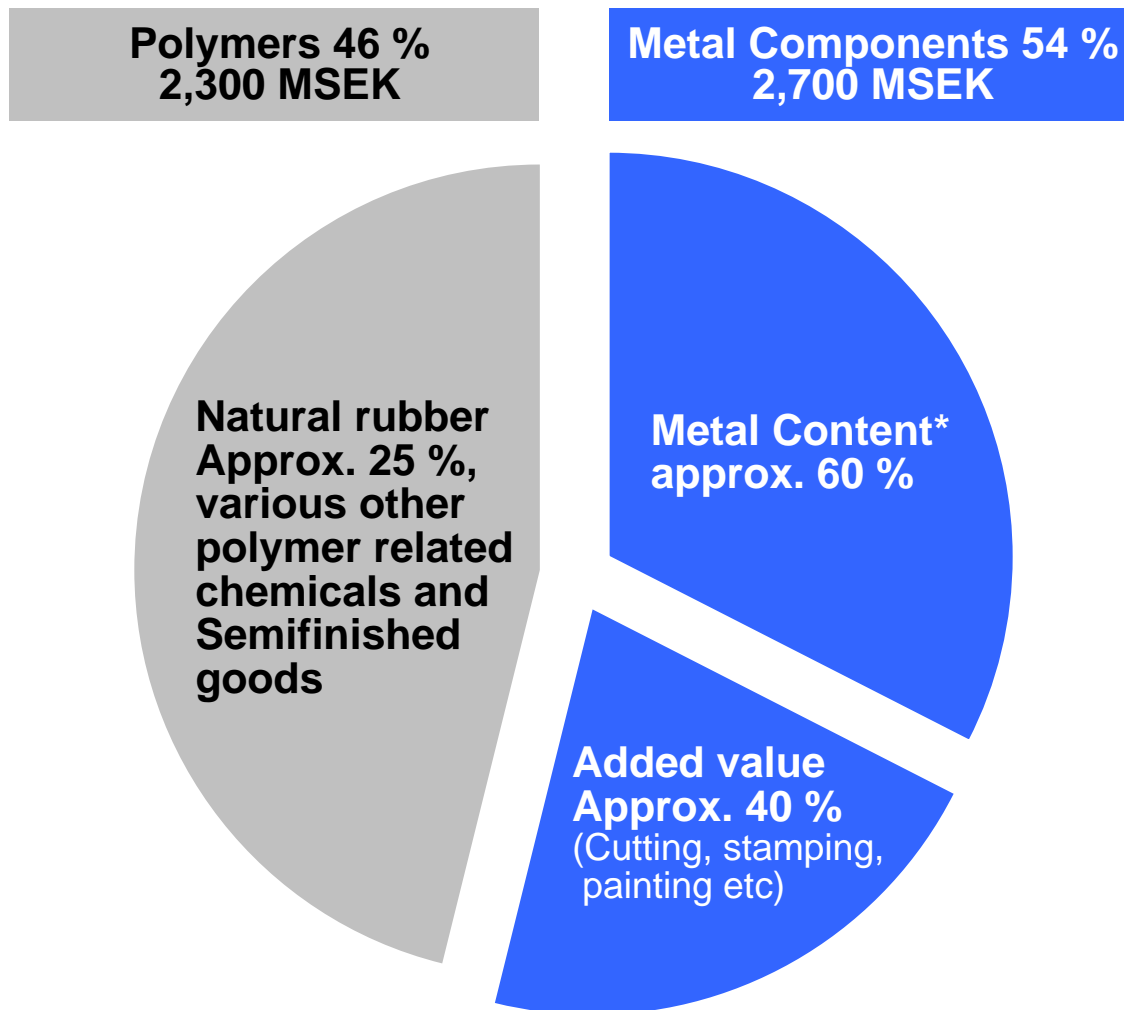
Total

SEK 495 M before tax and 340 after tax, of which SEK 160 M will affect cash flow, primarily during 2005. The costs will be charged against earnings for the fourth quarter of 2004. The positive effect on profits will amount to approximately SEK 100 M before tax, with full impact in 2006, SEK 90 M will affect cash flow.

Raw materials and semifinished goods

GROUP

Total Raw Materials approx. 5,000 MSEK

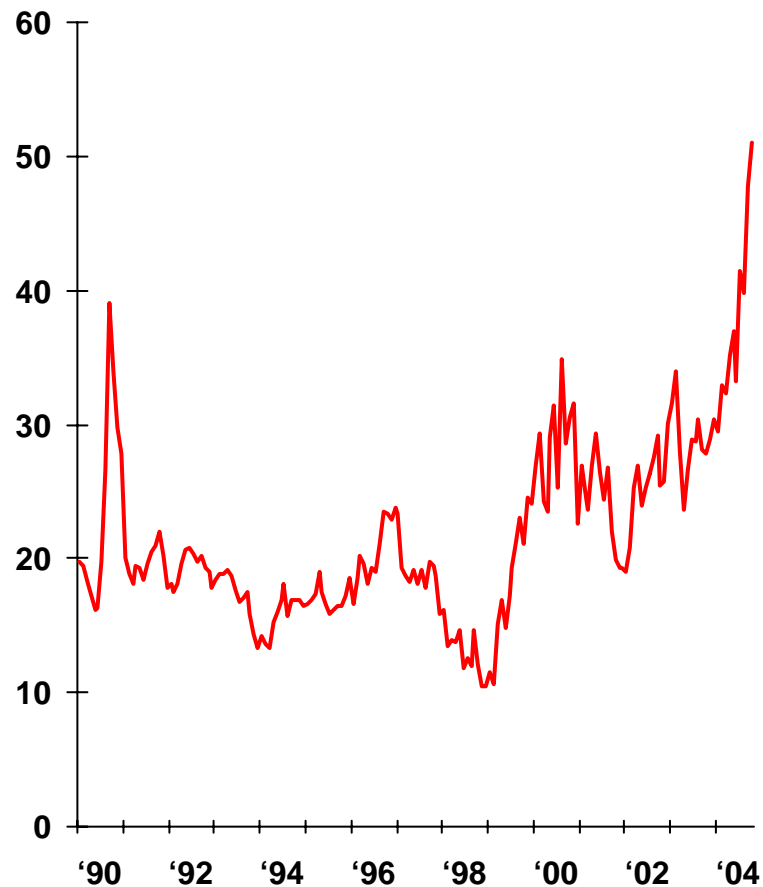


* Approx. 25 % Aluminium and 75 % Steel

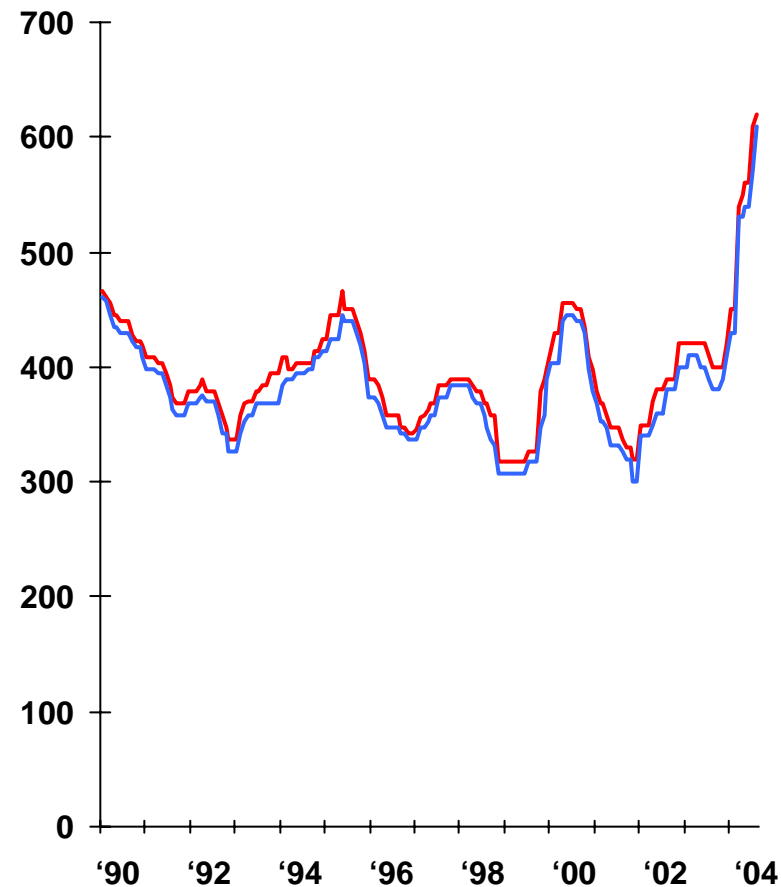
Rising Oil and Steel Prices in 2004

GROUP

Brent oil, 1990-2004 YTD
USD/barrel



Steel cold rolled coils, 1990-2004 YTD
EUR, high/low trading



Trelleborg Group – Income Statements

GROUP
Income Statements

Group SEK M	July - Sep		Jan - Sep		Oct 2003- Sep 2004	Full year 2003
	2004	2003	2004	2003		
<i>Continuing operations</i>						
Net sales	5 460	3 978	17 383	12 609	22 734	17 960
Cost of goods sold	-4 076	-3 093	-12 826	-9 733	-16 765	-13 672
Gross profit	1 384	885	4 557	2 876	5 969	4 288
Selling expenses	-516	-343	-1 581	-1 079	-2 065	-1 563
Administrative costs	-532	-294	-1 679	-901	-2 251	-1 473
Research and development costs	-104	-80	-350	-318	-444	-412
Other operating revenue	54	85	201	223	314	336
Other operating expense	-5	-38	-91	-113	-134	-156
Costs related to closure of Logansport facility	-	-	-60	-	-60	-
Result from participation in associated companies	12	4	36	.18	50	32
Operating profit	293	219	1 033	706	1 379	1 052
Financial income and expenses	-72	-25	-229	-73	-297	-141
Profit after financial items	221	194	804	633	1 082	911
Tax	-83	-60	-302	-228	-382	-308
Minority shares	-1	-4	-13	-12	-19	-18
Net profit	137	130	489	393	681	585

3,7% of
average net
debt

38% of
profit
before tax

Operating cash flow

GROUP
Trelleborg Group, SEK M

	EBITDA, excl. assoc. companies	Gross invest- ments	Fixed assets sold	Change in working capital	Total cash flow	
					Jan - Sep 2004	Jan - Sep 2003
Trelleborg Automotive	713	-416	6	4	307	488
Trelleborg Wheel Systems	226	-50	29	-42	163	-56
Trelleborg Engineered Systems	302	-71	6	-13	224	163
Trelleborg Building Systems	209	-40	1	-68	102	86
Sealing Solutions	668	-139	10	-99	440	-
Group items	-137	-9			-146	-68
Other companies	-2			2		-17
Operating cash flow	1 979	-725	52	-216	1 090	630
Acquisitions					-336	-6 442
Divestments					1 097	88
Restr. measures, incl. in acquired units					-180	-177
Dividends					-398	-357
Options, warrants and repurchase					168	-19
Financial items					-174	50
Taxes					-279	-106
Total net cash flow					988	-6 333

**115% of
depreciation**

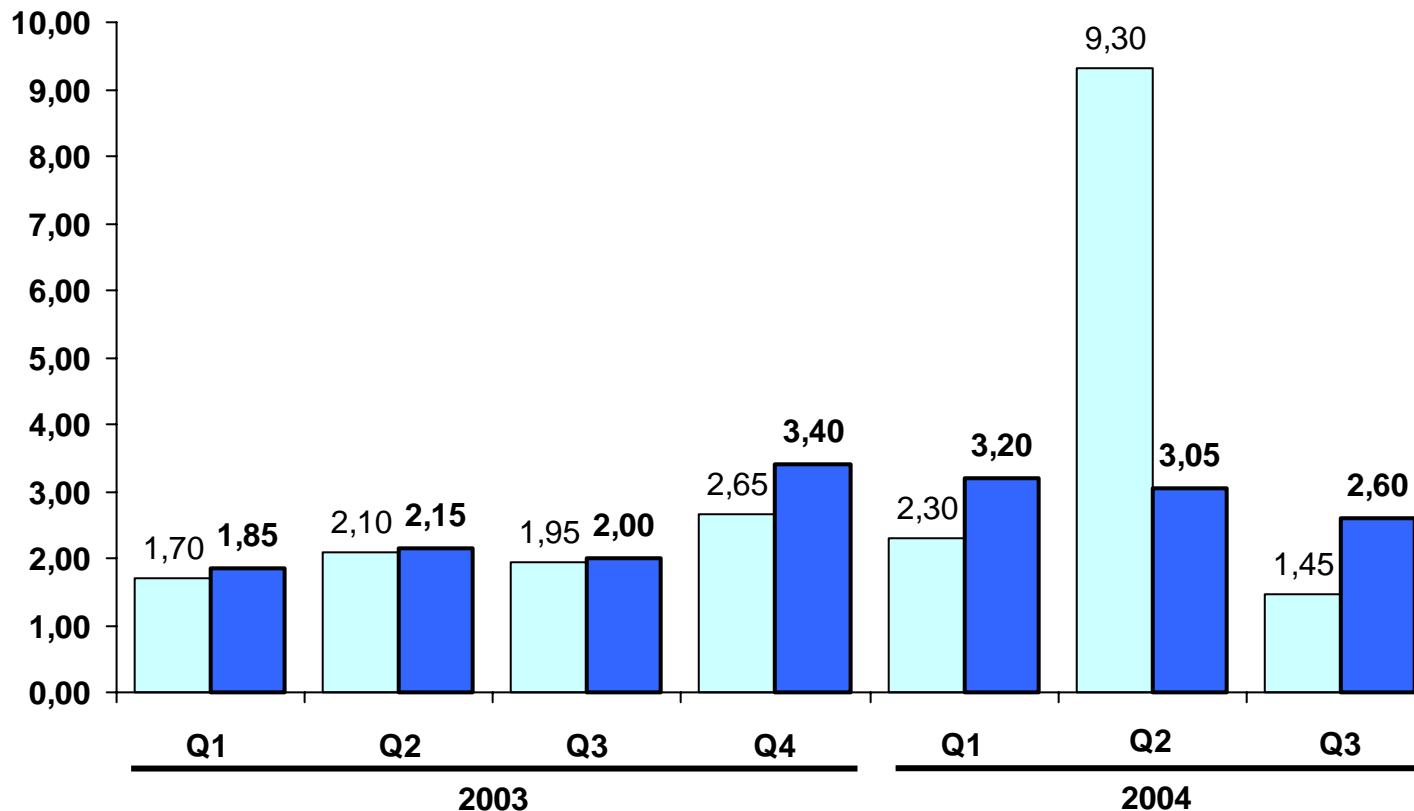
**SEK M -283 in
2003**

**Paid tax 35%
Of PBT**

Q3 EPS excl goodwill amort. up 30 % - 2.60 SEK (2.00)

GROUP

Earnings per share, **Light Blue**, and also excl goodwill amortization in present structure (excl Treno), **Blue**, SEK



R12 EPS, excl. goodwill amort. In present structure

8.15	7.95	8.00	9.40	10.80	11.65	12.25
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Dito, incl. proforma interest from divestment Treno*

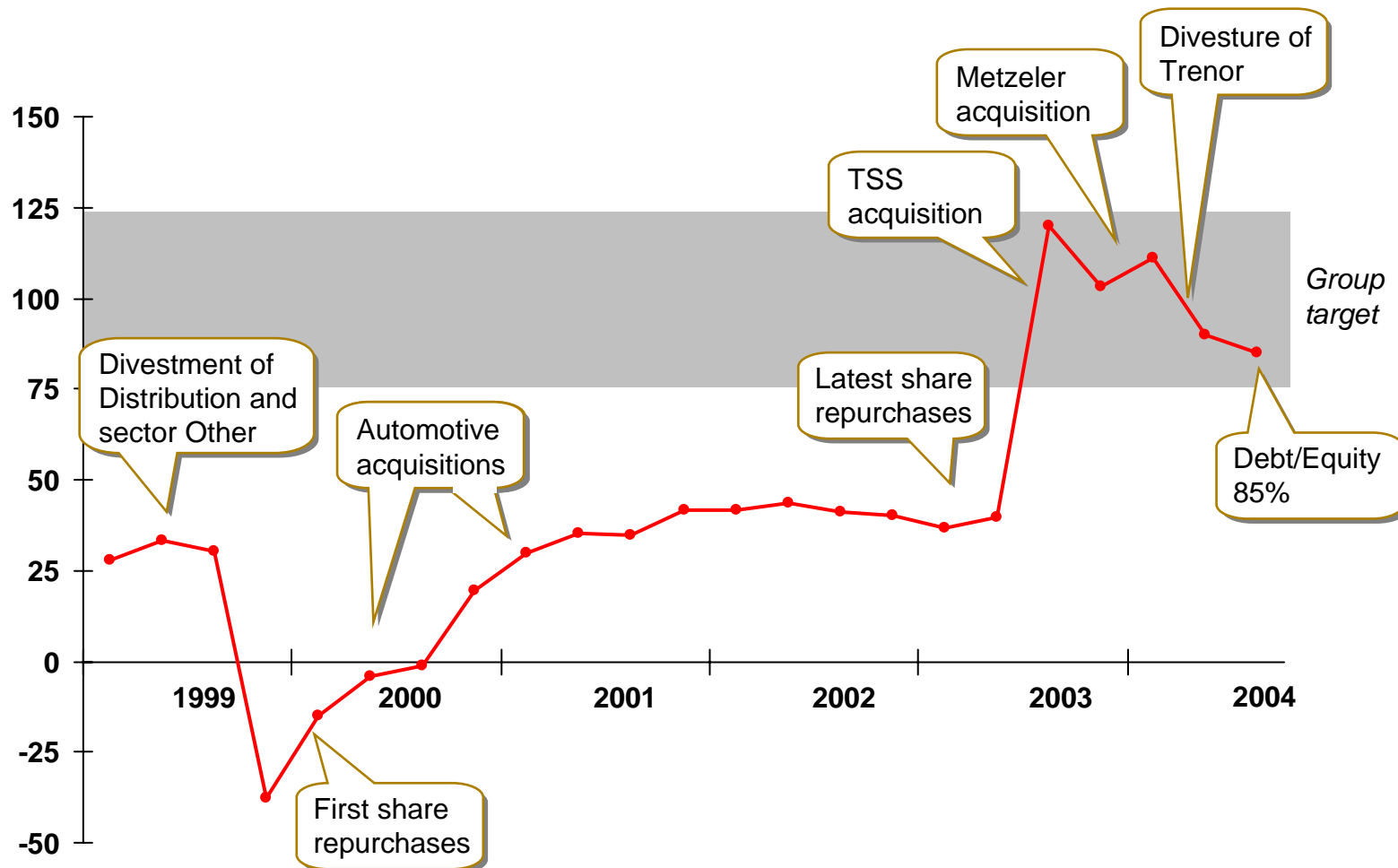
8.50	8.30	8.35	9.75	11.15	12.00	12.60
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*2.9 % after tax x 1,100 MSEK / 85.6 million shares

Gearing well in line with Group's target

GROUP

Group debt/equity; 1999A-2004A; Percent; Quarterly data



GROUP

- ▼ The improved market conditions in Trelleborg's principal industrial markets are expected to continue, while an equivalent improvement cannot, for the moment, be discerned in the Group's principal markets within the light-vehicle industry.
- ▼ With the aim of improving the operating margin, a number of efficiency-improvement measures are currently being implemented and new measures have been proposed to further increase the Group's competitiveness.
- ▼ Increased prices for polymer and steel-based input goods is continuously expected to negatively affect the operating margin within Trelleborg Automotive. A combination of measures is being implemented to balance increased costs for input materials, including efficiency improvements, consolidation of the supplier structure, design changes and price increases.
- ▼ The Trelleborg Group is prioritizing continued efforts to generate organic growth and complementary acquisitions

Calendar

Year End Report

Interim report January-March

February 8, 2005

April 26, 2005

Financial information

Interim reports, annual reports, the stakeholder magazine T-TIME and other information on the Trelleborg Group may be ordered from Trelleborg AB, Information Department, Box 153, SE-231 22 Trelleborg, Sweden, by telephone on +46 410-670 09, by fax on +46 410-427 63, by e-mail info@trelleborg.com or can be downloaded from the Group's website www.trelleborg.com.

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