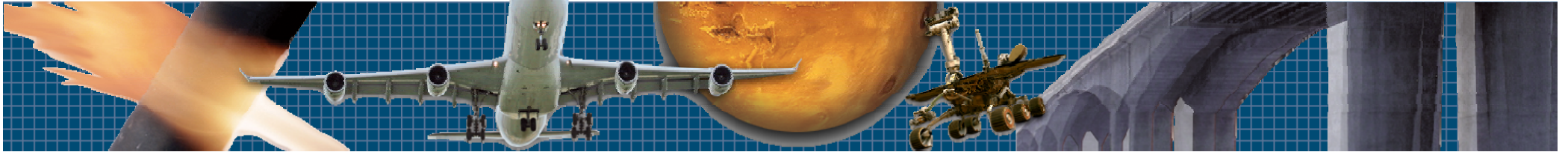


Welcome to 2006 Half Year Report Update

July 19, 2006




TRELLEBORG

Group Highlights

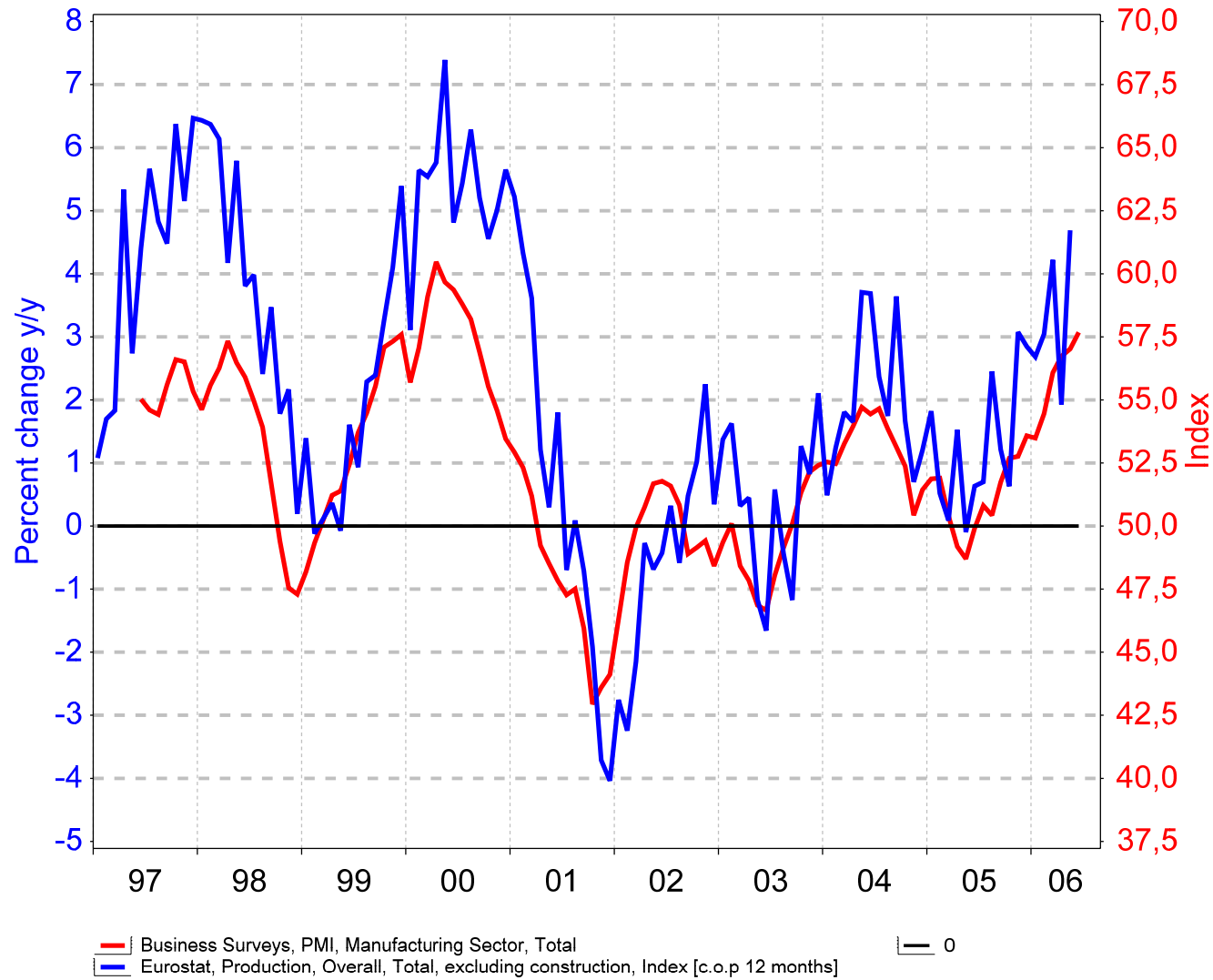
- ▼ **H1 Sales increase of 16 % - organic growth 5.5 %**
 - ▼ Group Net Sales Q2, 7,044 SEK M (6,348) and H1, 14,039 SEK M (12,142)
 - ▼ Group Organic Growth for Q2 2.5 % and for H1 5.5 %

- ▼ **Profit effected by higher raw material prices**
 - ▼ Q2 Operating Profit 507 MSEK (538) (continuing operations, excl restructuring costs and impairment losses), H1 Operating Profit 975 SEK M (930)
 - ▼ Q2 Net Profit amounted to 305 MSEK (351) (continuing operations, excl restructuring costs and impairment losses) , H1 Net Profit amounted to 586 SEK M (592)
 - ▼ Increased raw material prices, start-up problems in TSS Logistic Center and Fluid & Acoustic inefficiencies had a negative effect
 - ▼ Positive effects from acquired units

- ▼ **Continued growth through strategic acquisitions**
 - ▼ Growth through strategic acquisitions continous. Four new bolt-on acquisitions since last report
 - ▼ Goodall Rubber Company divested in Q2

EMU Purchasing managers index vs Ind. Production

EMU PMI vs Industrial Production

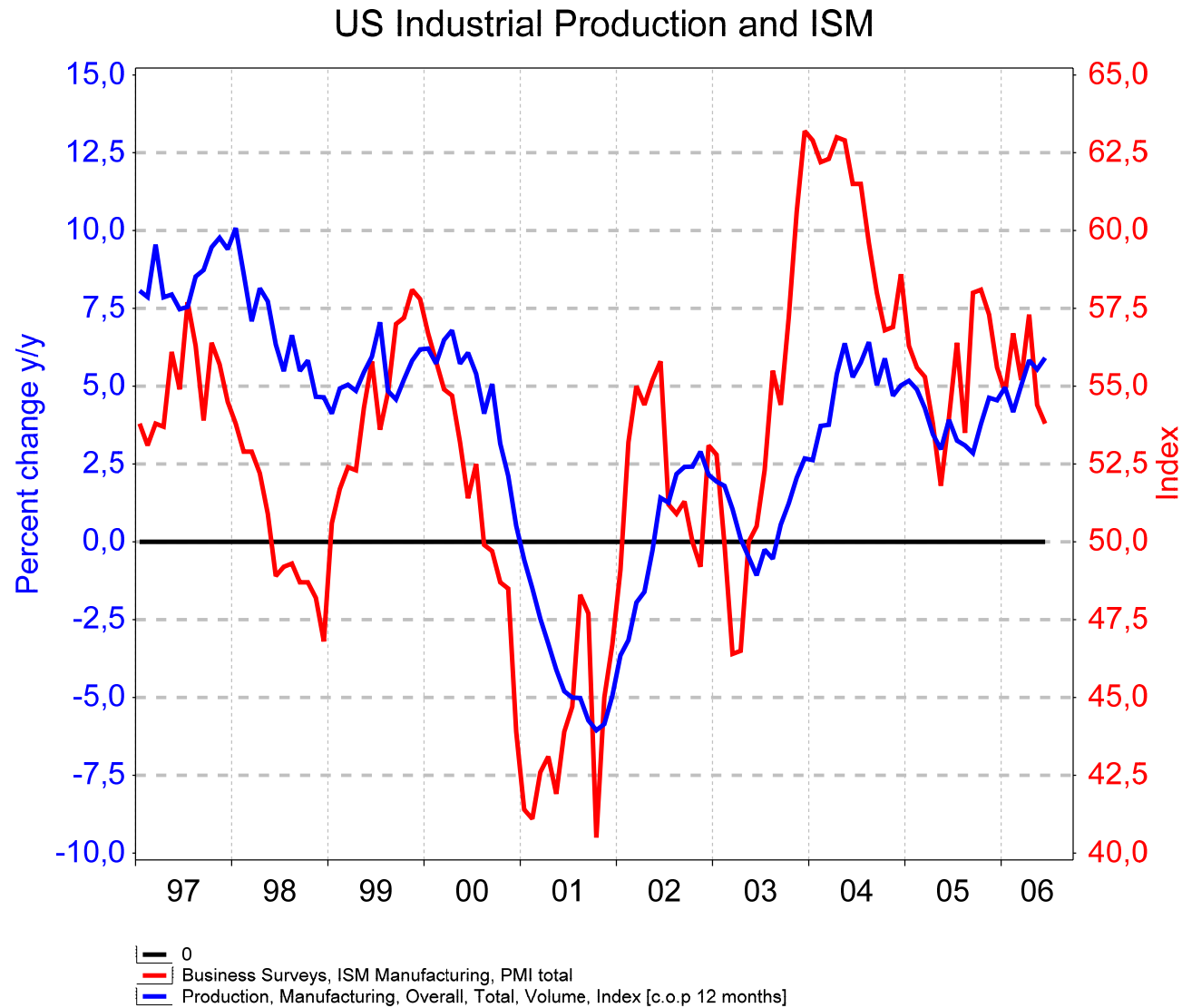


Source: Reuters EcoWin

Source: Reuters EcoWin



USA: ISM purchasing managers index vs Ind. production



Source: Reuters EcoWin

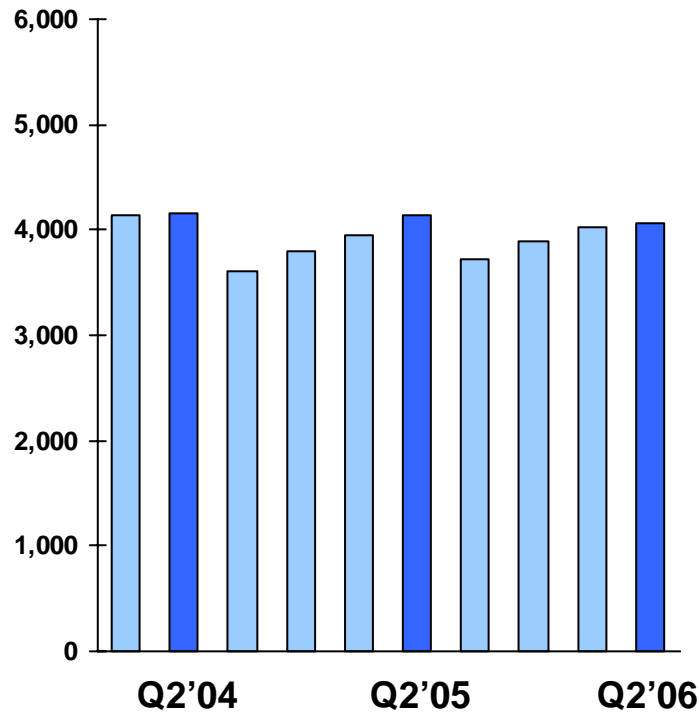
Source: Reuters EcoWin



Q2 sales & production down in both N. America and Europe

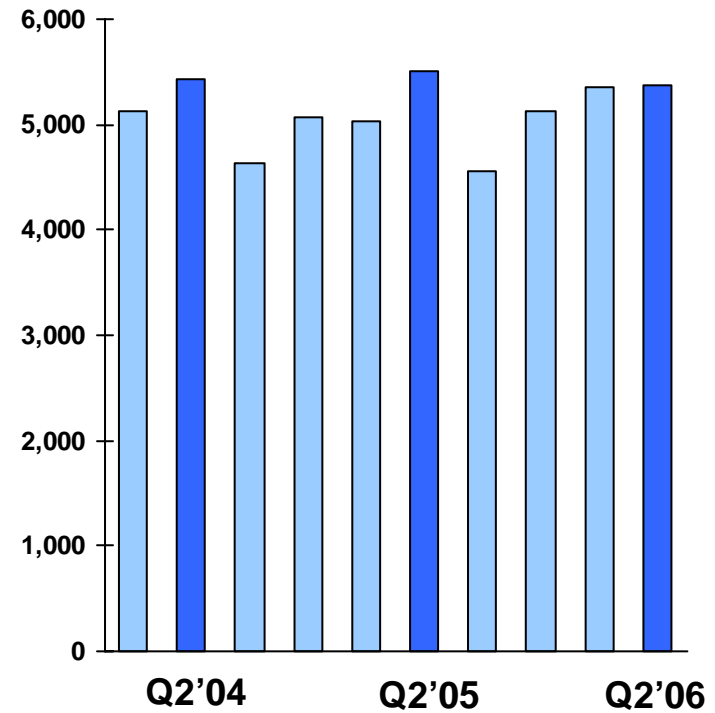
Light vehicles, Quarterly change YoY

NA light vehicle production, thousand units



	<u>Q2 YoY</u>
Sales	-3.5%
Production	-1.9%

European light vehicle production, thousand units



	<u>Q2 YoY</u>
Sales	-1.9%
Production	-2.3%

Note: Light vehicle comprises of passenger cars and light trucks. Europe includes both Western and Eastern Europe. Sales figures Europe (W+E) refers to passenger cars only, sales figures North America refers to US Light Vehicles only. Source: J.D. Power; Ward; ACEA; Trelleborg analysis

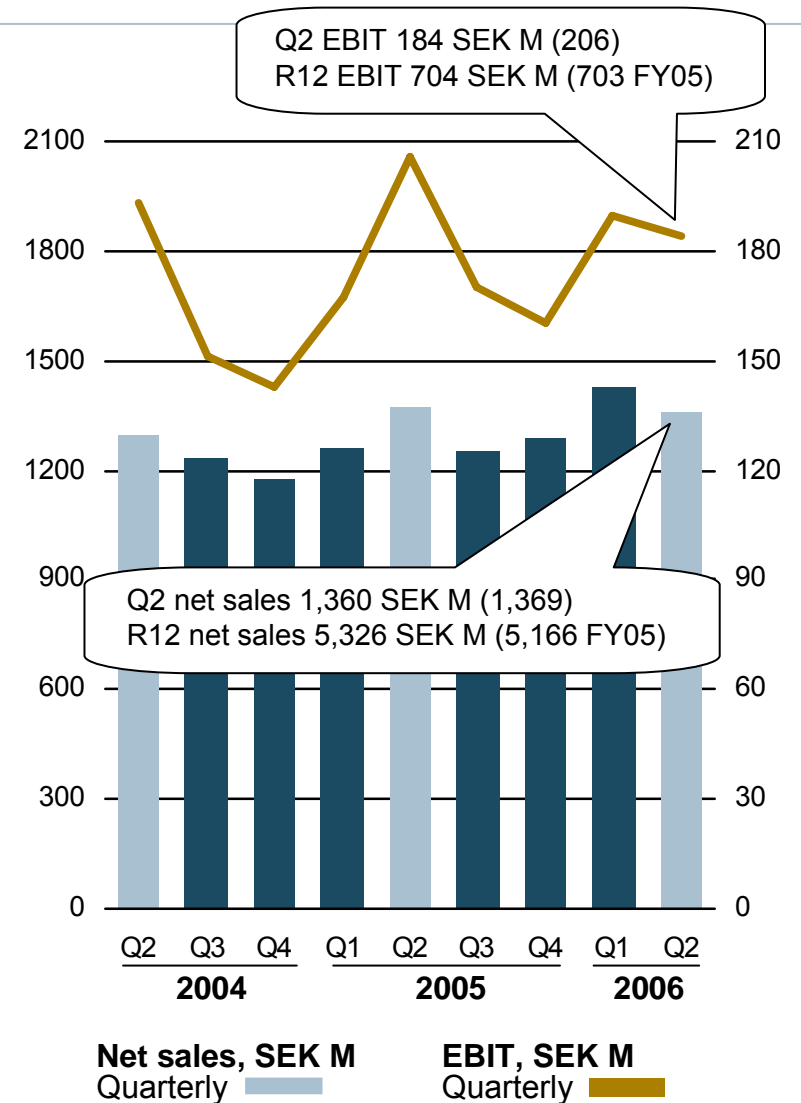
Sales in line with Q2 05, one-time negative effects

Trelleborg Sealing Solutions

- ▼ Organic growth H1: 1 %
- ▼ Good demand in industrial and aerospace segments. Slightly down in Auto segment
- ▼ Q2 sales down in both N America and Europe
 - ▼ Inefficiencies in new European Logistic Center
 - ▼ Lower auto volumes in line with strategy
 - ▼ Fewer working days
- ▼ Results effected negative by
 - ▼ Costs taken at European Logistic center
 - ▼ Continued marketing efforts in Asia/Pacific and N America
- ▼ Good sales in Asia
- ▼ Continously good development in Aerospace

Near term actions

- ▼ European Logistic Center fully operational
- ▼ Continued finetuning of manufacturing issues
- ▼ Continous focus on growth initiatives in prioritized areas



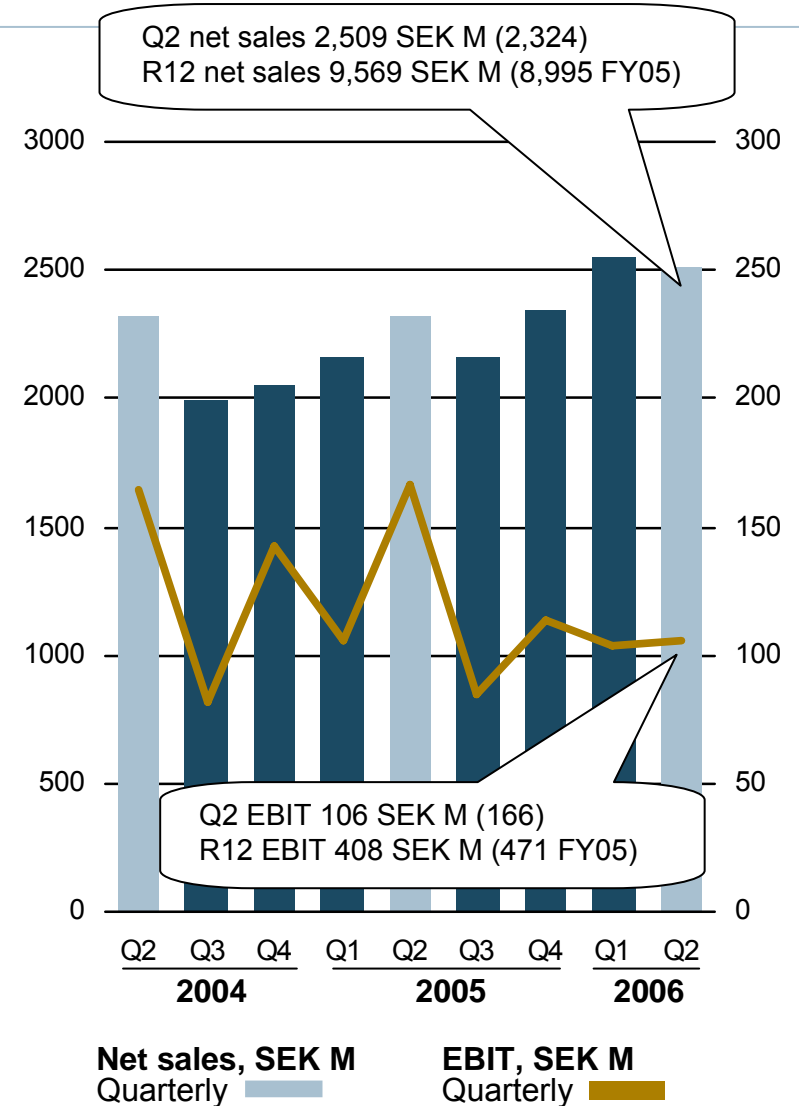
Good organic growth in several markets

Trelleborg Automotive

- ▼ Organic growth H1: 7.5 %
- ▼ Q2 Sales increased in both AVS and Fluid&Acoustic segments
- ▼ Results effected by
 - ▼ Raw material cost increases
 - ▼ Supplier bankruptcy, 14 MSEK in H1
 - ▼ Operational inefficiencies in Fluid segment
- ▼ Capitalized development costs 19 MSEK (28)
- ▼ Action program in part of Fluid segment
 - ▼ New organisation
 - ▼ New factory layout
 - ▼ Negative effects on result also in Q3

Near term actions

- ▼ Mitigate production inefficiencies within Fluid & Acoustics
- ▼ Focused price discussions with customers
- ▼ Construction of Romanian factory
- ▼ Start up of production of new business utilizing our global platform



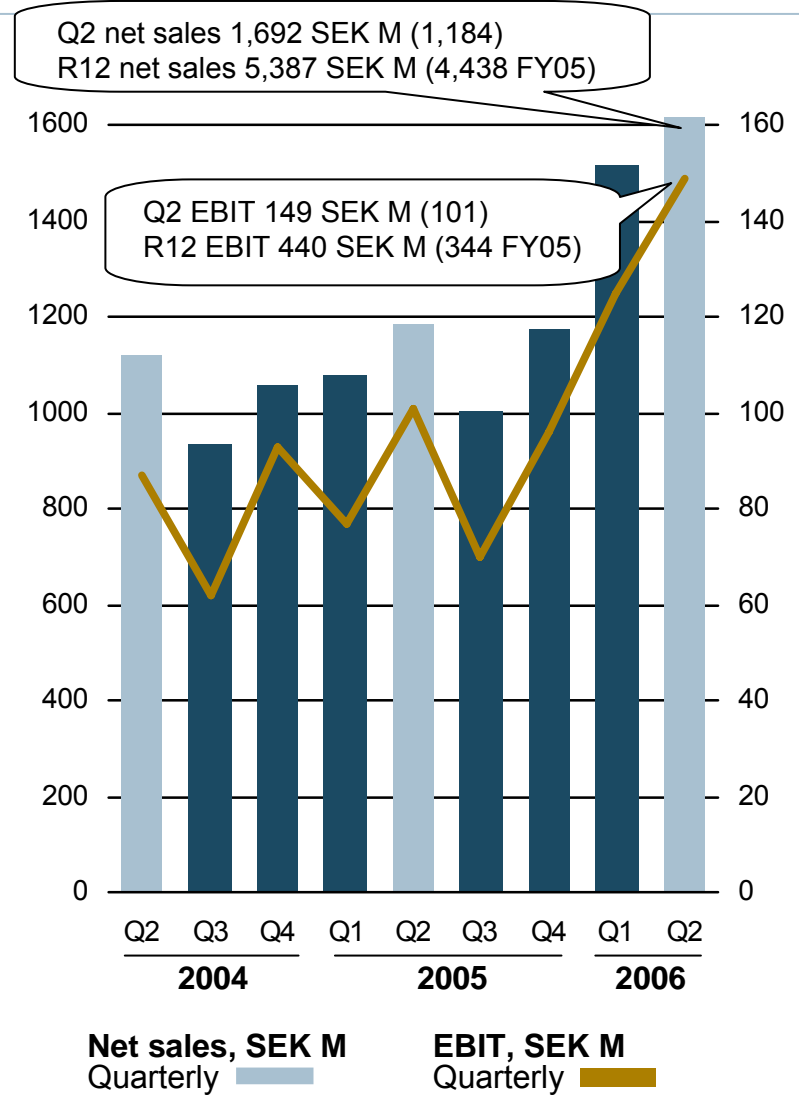
Strong development in most segments

Trelleborg Engineered Systems

- ▼ Organic growth H1: 13.5 %
- ▼ Good and stable demand in most segments
- ▼ Large number of project deliveries
 - ▼ Positive development in Trelleborg CRP
 - ▼ Trelline® delivery
- ▼ Good order book, especially in oil/gas and infrastructure construction
- ▼ Goodall divested in Q2

Near term actions

- ▼ Integration of new entities
- ▼ Managing growth in prioritized areas
- ▼ Initiating new growth projects
- ▼ Continued focus on product portfolio pruning



Strengthening position in Personal Protection Equipment

Acquisition of UAB Trella, Lithuania

Acquisition rationales are competitive production and safe-guarding of technology integration of our unique capabilities in coated fabrics

- ▼ Agreement to acquire the protective suit operations, UAB Trella, from Lithuanian company Svytis.
- ▼ Annual sales of SEK 23 M and 60 employees at a production facility located in Tauragė in southwestern Lithuania.
- ▼ UAB Trella has manufactured protective suits for Trelleborg since 2003.
- ▼ The acquisition is expected to be completed on July 31, 2006.



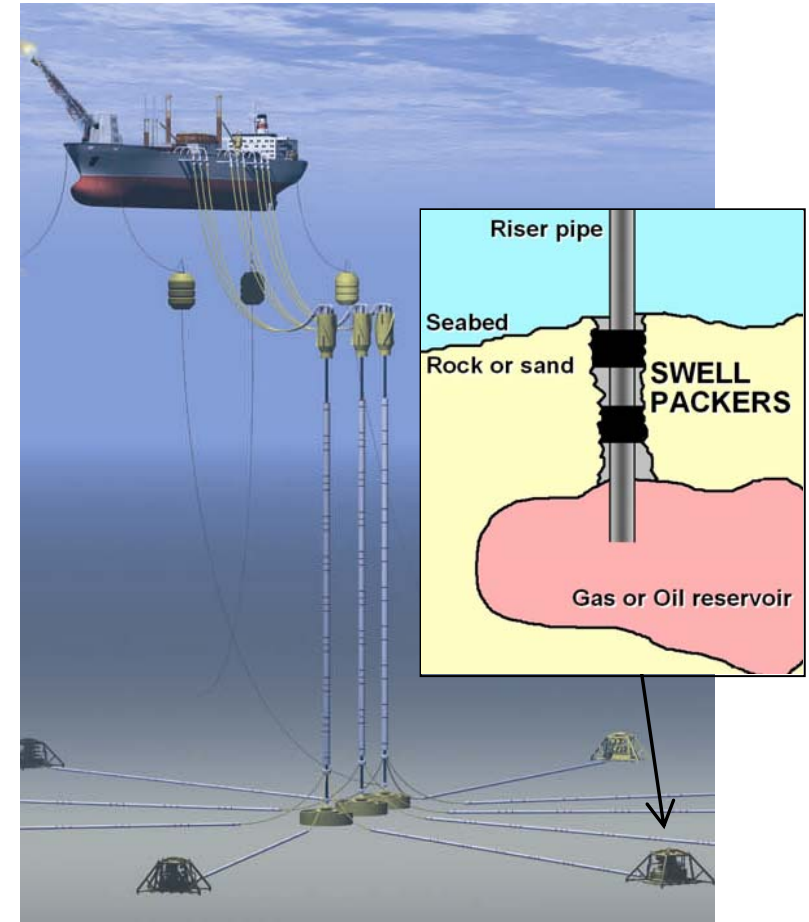
Strengthening offshore portfolio within drilling

Acquisition of Mehren Rubber, Norway

The acquisition fits the group's continuing ambitions to expand in the offshore oil & gas business within drilling segment

The products supplements current TES portfolio, with organizational synergies.

- ▼ Approx. 30 employees and annual sales of about SEK 65 M. Production facility in Sande (south of Drammen), Norway.
- ▼ Niche-oriented contract producer of oil/gas extraction equipment.
- ▼ Main product, "Swell Packer", uses the specific properties of rubber in projects requiring reliable and cost-effective zonal isolation technology.
- ▼ The unit will be fully integrated within existing operations in Norway.
- ▼ The acquisition is expected to be completed Q3 06.

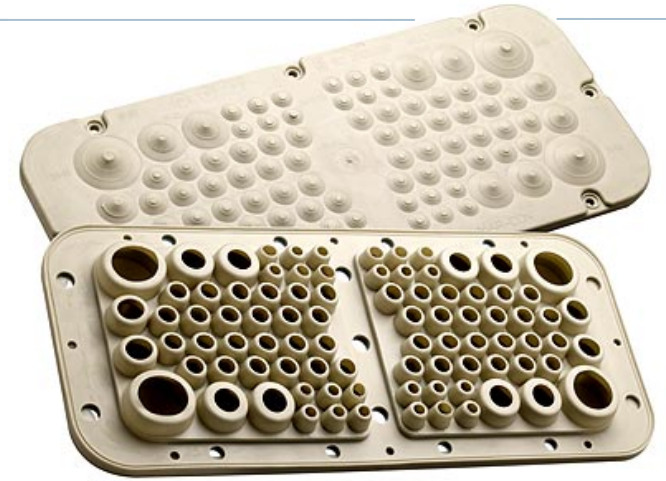


Expansion of customized moulding components into Finland

Acquisition of Mar-Con Group, Finland

Rationales for the acquisition are sales presence in the Finnish market, know-how in TPE manufacturing and entering into new interesting sectors like electronics and telecom.

- ▼ Key technology is the manufacture of TPE (thermoplastic elastomers) components molded together with metal or plastic parts.
- ▼ Approximately 90 employees and annual sales of about SEK 120 M.
- ▼ Based in the Tampere area, Finland.



Stable sales and profit development

Trelleborg Wheel Systems

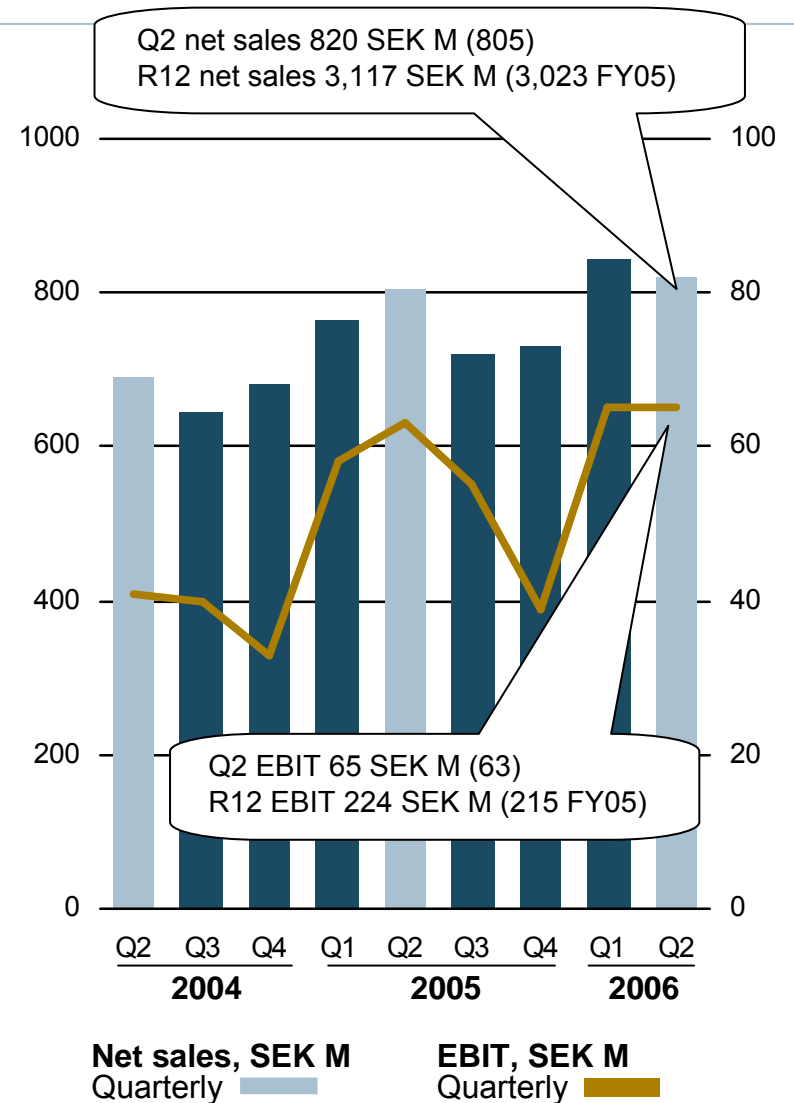
- ▼ Organic growth H1: 2.5 %
- ▼ Stable demand in Agricultural segment.
- ▼ Lower sales in Forestry segment
- ▼ Increased sales for Industrial segment. Growth in N America and Asia. Flat in Europe.
- ▼ Increased sales in growth markets
- ▼ Increased raw material costs are met with price increases and ambitious efficiency measures

Near term actions

- ▼ Focus on margins before growth
- ▼ Continued focus on product mix and selected markets
- ▼ Secure capacity increase in Sri Lanka



SEAL
DAMP
PROTECT



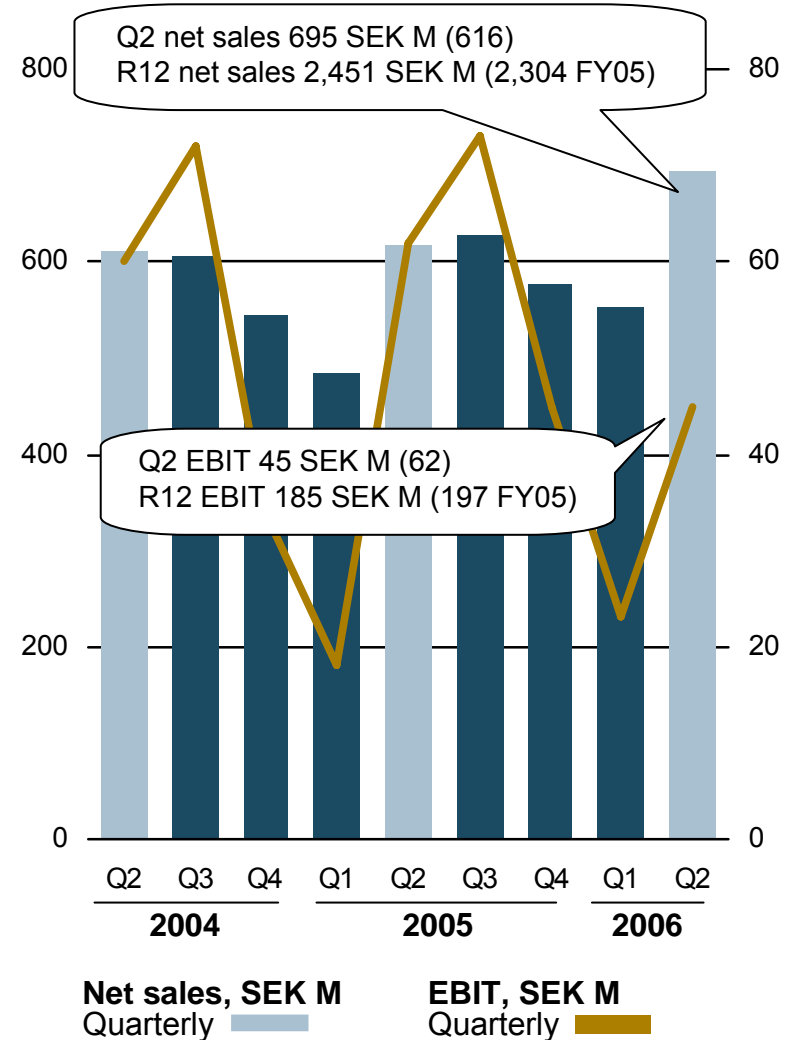
Good demand in Scandinavian building segment

Trelleborg Building Systems

- ▼ Organic growth H1: 6.5 %
- ▼ Continuously strong demand in Scandinavian market. Signs of recovery in Germany
- ▼ Results effected by
 - ▼ Lower Sales in Roofing
 - ▼ Raw Materials cost increases
 - ▼ Ormen Lange project last year
- ▼ Continuously good development in Pipe Seals and in Sealing Profiles.
- ▼ Changes in production structure initiated
- ▼ Newly aquired units contributed positively

Near term actions

- ▼ Integration of newly acquired units
- ▼ Continued focus on operational efficiency
- ▼ Continued development of new distribution channels and new, innovative products.
- ▼ Price increases



Strengthening US position in sealing profiles

Acquisition of Kawneer Rubber & Plastics, US

Together with EPG, acquired earlier this year, KRP creates an even stronger growth platform for TBS operations in North America:

- ▼ ***A leading position in sealing profiles also in the United States***
 - ▼ ***Increased awareness of energy consumption and efficient sealing***
 - ▼ ***Synergies between KRP and EPG (technology/production/sales/administration)***
-
- ▼ Approx. 40 employees and annual sales of about SEK 90 million.
 - ▼ Production facility in Bristol, Indiana.
 - ▼ KRP produces polymer-based sealing products primarily for the construction and transportation industries.
 - ▼ The acquisition is expected to be completed on August 1, 2006.





Comments to Q2 report

- ▼ **Total book capital loss of Goodall divestment amounts to 76 MSEK**
 - ▼ 45 MSEK taken in Q1, remaining 31 MSEK in Q2
 - ▼ Adjustment in Q2 mainly due to recalculated deferred taxes with a limited cash effect

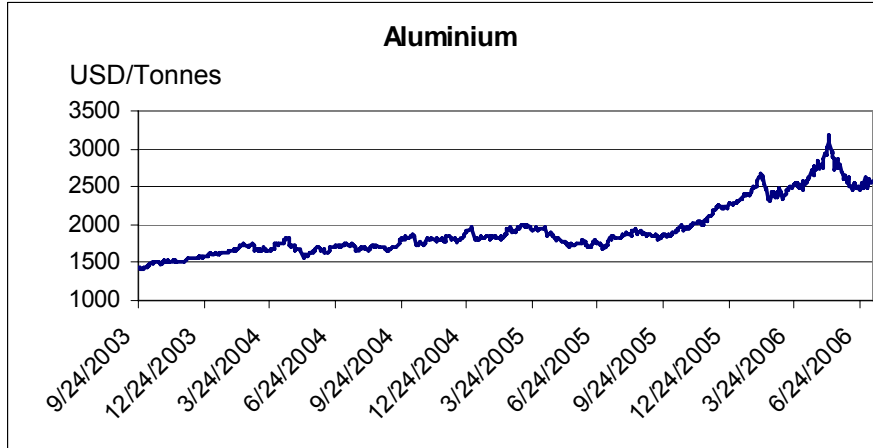
- ▼ **Sales process of Stockholm property initiated**
 - ▼ Former warehouse of Bröderna Edstrand
 - ▼ Close to Stockholm City Center, approx 30,000 sqm.
 - ▼ Significant overvalue, depending on number and type of building permits
 - ▼ Book Value: 80 MSEK

- ▼ **Competition issues in US subsidiary**
 - ▼ Ongoing investigation by US Justice Department on market conditions in 2000-2005 for certain marine fender products
 - ▼ Several companies (distributors and manufacturers) involved in investigation. Trelleborg Engineered Products Inc. (acquired end 2002) had sales in 2005 of 130 MSEK. Product group under investigation is only a portion of the company.
 - ▼ No formal demands from authorities. Discussions with authorities are ongoing.

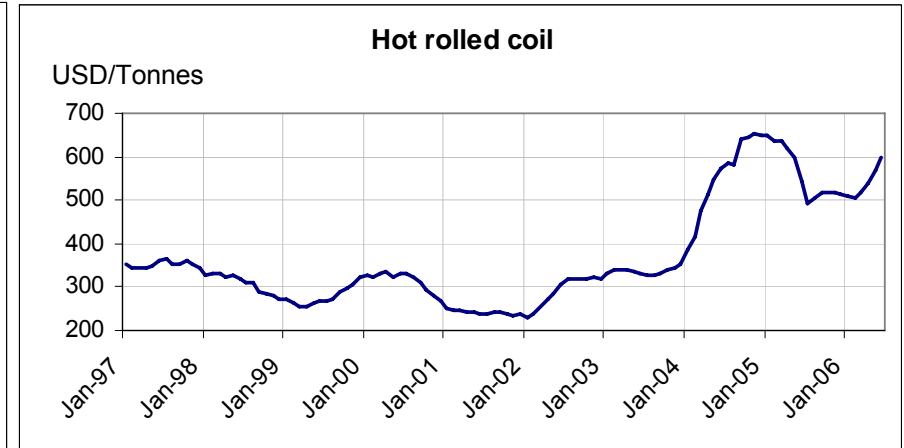


Continuously demanding raw material situation

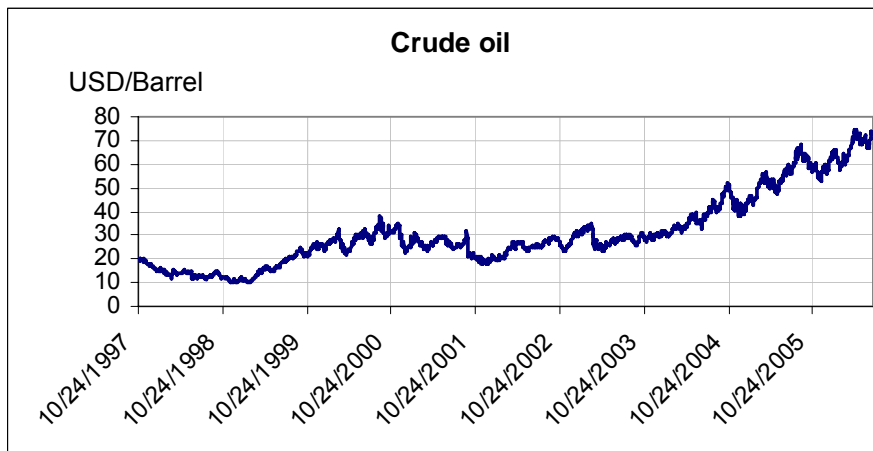
Examples of raw material price trends, Trelleborg purchases a variety of qualities



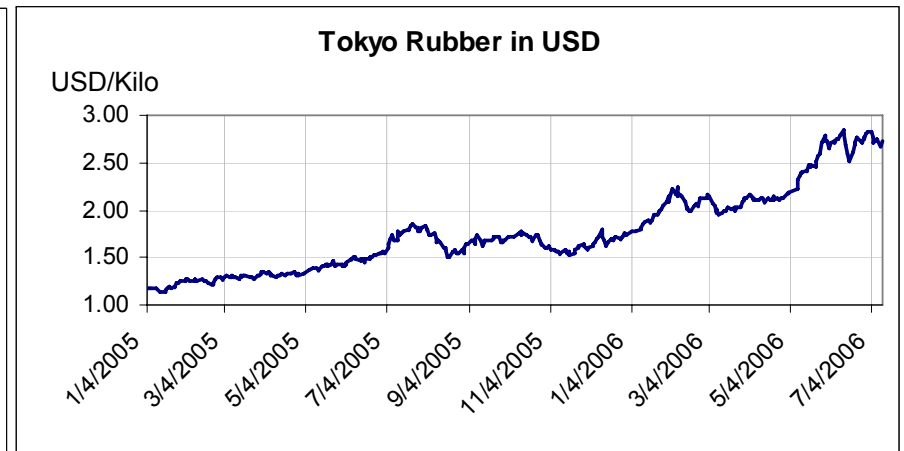
- ▼ + 35 % since end 2005
- ▼ At peak doubled since beginning 2004



- ▼ Bouncing back to high levels



- ▼ Hoovering around 70 since beginning of April



- ▼ + 40 % since end 2005
- ▼ + 90 % since end 2004
- ▼ + 400 % since mid 2001



Actions to meet increasing costs

- ▼ **The group prioritizes price increases to customers**
 - ▼ Flexible raw material escalators in contracts (Automotive)
 - ▼ Reductions/delays of give-backs (Automotive)
 - ▼ Temporary effects on volumes
- ▼ **Increased coordination of group purchasing**
- ▼ **Flexibility in sourcing**
- ▼ **General review of other efficiency improvement possibilities**

Income Statement

Income Statements

Group SEK M	April - June		Jan - June		July 2005 -	Full year
	2006	2005	2006	2005	June 2006	2005
<i>Continuing operations</i>						
Net sales	6 983	6 185	13 790	11 827	25 472	23 509
Cost of goods sold	-5 215	-4 478	-10 306	-8 608	-18 940	-17 242
Gross profit	1 768	1 707	3 484	3 219	6 532	6 267
Selling expenses	-505	-493	-1 026	-952	-1 975	-1 901
Administrative expenses	-677	-614	-1 354	-1 207	-2 585	-2 438
Research and development costs	-124	-124	-249	-242	-483	-476
Other operating income/expense	40	57	83	100	236	253
Profit from part. in assoc. Companies	5	5	14	12	35	33
Operating profit	507	538	952	930	1 760	1 738
Financial income and expenses	-76	-57	-144	-118	-234	-208
Profit before tax	431	481	808	812	1 526	1 530
Tax	-126	-130	-238	-220	-396	-378
Profit for the period	305	351	570	592	1 130	1 152
<i>Discontinued operations</i>						
Net sales	61	163	249	315	595	661
Operating profit	3	9	31	15	57	41
Profit before tax	2	8	29	13	53	37
Profit for the period	-31	4	4	8	21	25
Total Net sales	7 044	6 348	14 039	12 142	26 067	24 170
Total operating profit	510	547	983	945	1 817	1 779
Total profit before tax	433	489	837	825	1 579	1 567
Total profit for the period	274	355	574	600	1 151	1 177
- attributable to minority interest	5	3	9	7	18	16
- attributable to equity holders of the parent	269	352	565	593	1 133	1 161

3.5 % of net financial liabilities

29 % of profit before tax

Key operating ratios

Operating key ratios	April - June		Jan - June		July 2005 -	Full year
	2006	2005	2006	2005	June 2006	2005
<i>Continuing operations excluding restructuring costs and impairment losses</i>						
Operating profit	507	538	975	930	1 783	1 738
Profit before tax	431	481	831	812	1 549	1 530
Profit for the period	305	351	586	592	1 146	1 152
Earnings per share, SEK ¹⁾	3,35	3,85	6,40	6,50	12,50	12,60
EBITDA, %	10,3	12,0	10,2	11,2	10,7	10,8
Operating margin (ROS), %	7,2	8,6	7,0	7,8	6,8	7,3
Return on capital employed (ROA), %			10,2	11,0	10,2	10,7
Return on shareholders' equity, %	12,1	15,1	11,8	13,1	11,8	12,3
Operating cash flow	389	629	280	755	1 295	1 770
Operating cash flow/Operating profit, %	77	117	29	81	73	102
Operating cash flow per share, SEK ²⁾	4,30	7,00	3,10	8,40	14,35	19,65
Net debt/EBITDA, multiple					3,3	2,8
EBITDA/Financial income and expenses, multiple					11,4	12,4

1) Profit for the period attributable to equity holders of the parent divided by the average number of shares outstanding

2) Operating cash flow related to the average number of shares outstanding

Cash Flow Report

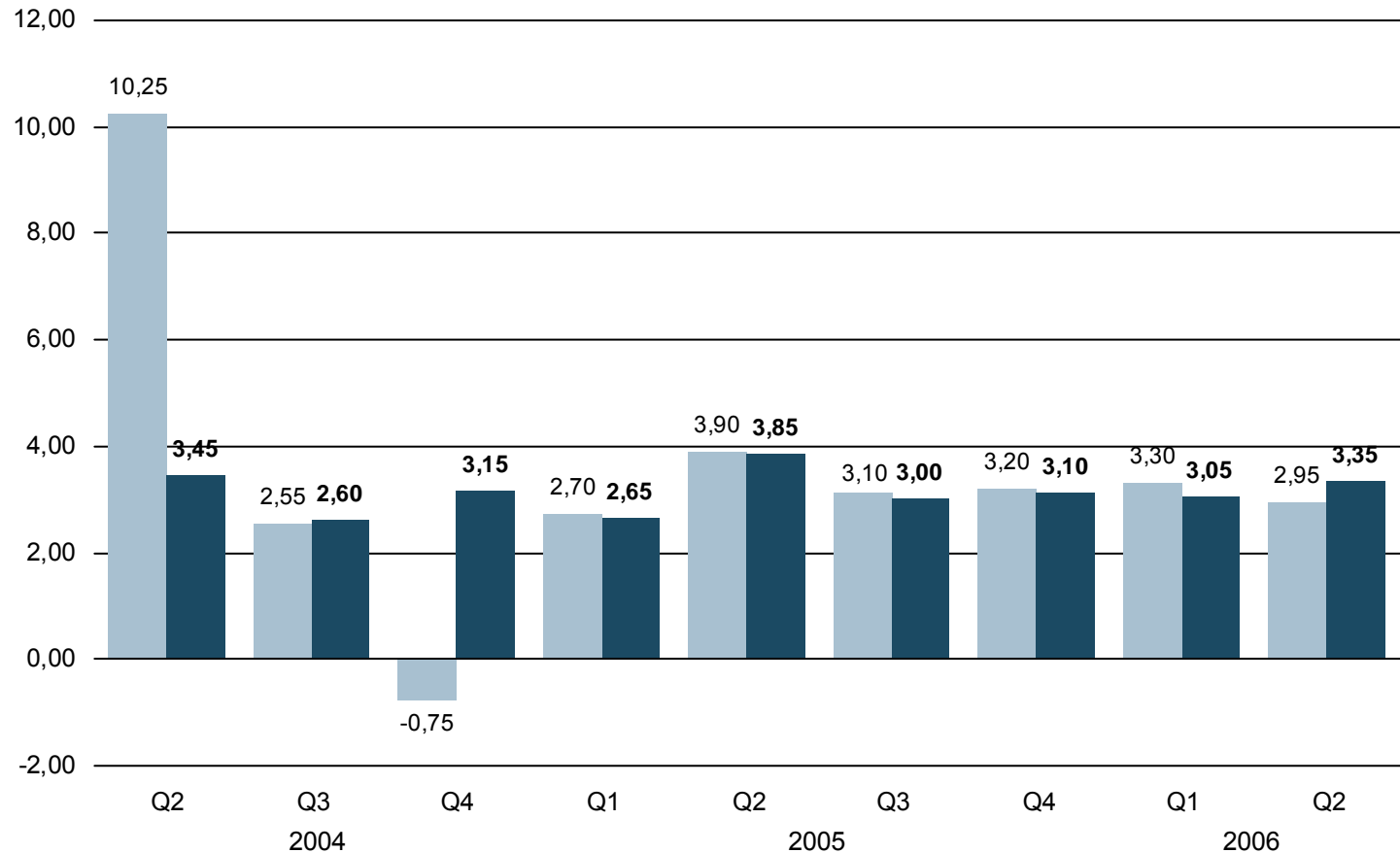
Trelleborg Group, SEK M

Jan - March	EBITDA, excl. assoc. companies	Capital expendi- ture	Fixed assets sold	Change in working capital	Total cash flow		
					2006	2005	R12
Trelleborg Automotive	450	-246	2	-153	53	277	195
Trelleborg Sealing Solutions	472	-76	6	-144	258	217	751
Trelleborg Engineered Systems	370	-67	2	-154	151	235	321
Trelleborg Wheel Systems	183	-40	-	-137	6	131	110
Trelleborg Building Systems	101	-36	-	-79	-14	52	164
Other companies	-2	-	-	-3	-5	-5	3
Group items	-126	-4	10	-49	-169	-152	-249
Operating cash flow	1 448	-469	20	-719	280	755	1 295
Restructuring measures provided for at time of acquisition					-16	-20	-59
Other restructuring measures					-29	-68	-68
Dividend paid to minority					-	-1	-
Financial items					-55	-25	-287
Taxes					-116	-197	-312
Free cash flow					64	444	569
Acquisitions					-1 488	-113	-1 743
Divestments					179	-13	193
Dividend paid to shareholders					-497	-452	-497
Excercise of warrants and call options					-	78	-
Total net cash flow					-1 742	-56	-1 478



Q2 Earnings Per Share SEK 3.35 (3.85)

Earnings per share, **Light Blue**, and also for continuing operations excl. restructuring costs/impairment losses, **Blue**, SEK



R12 EPS, continuing operations excl. restructuring costs/impairment losses

12.40

11.85

12.25

12.65

12.60

13.00

12.50



Outlook for the third quarter 2006

Unchanged outlook

- ▼ Continued market growth, in line with the first half of 2006, is expected in the Group's seven principal markets.
- ▼ Accelerating raw material prices is expected to result in continued cost pressure also during Q3 2006.

More details on this report can be found on www.trelleborg.com.

Calendar

Interim Report, January-September
Full Year Report

October 27, 2006
February 13, 2007

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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This report contains forward-looking statements that are based on the current expectations of the management of Trelleborg. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors .



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