

Welcome to 2007 Nine month Report Update

October 26, 2007

Achievements Q3

Net sales growth of 18 percent Organic growth 12 percent
Strengthened positions in Offshore, Aerospace and Industry A
number of non priority areas discontinued Improved operating profit
and operating margin in all four business areas



In focus in 2007

Continued focus on growth markets Stronger positions
in priority segments Increased profitability through
active portfolio management Improved margins through
operational excellence Target oriented leadership



Group Financial Highlights

▼ **Q3 Sales increase of 18 % - Organic growth 12 %**

- ▼ Group Net Sales rose to 7,453 SEK M (6,306)
- ▼ Group Organic Growth for Q3 12 %

▼ **All four business areas improved both profits and margins**

Continuing operations excl. items affecting comparability

- ▼ Q3 Operating Profit up by 49 % to 543 MSEK (364)
- ▼ TES, TWS and TSS operating margin 10.3 % (9.3), benefited from good organic growth and continuously focused businesses. TES also benefited from acquired units.
- ▼ Positive sales drop-through off-set raw material/components price increases, lower R&D capitalization and operational issues

▼ **Q3 EBITDA of 777 MSEK, an increase of 32 %**

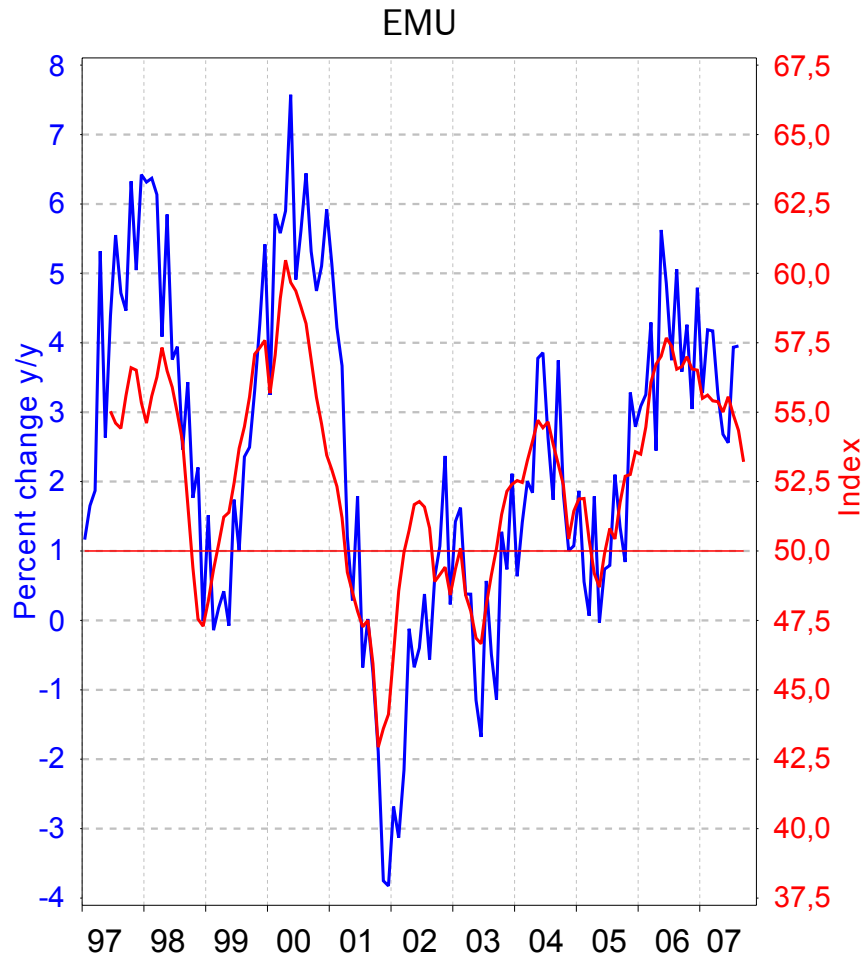
- ▼ Margin increase to 10.4 % (9.3)
- ▼ R12m EBITDA of 3 198 MSEK

▼ **Items affecting comparability**

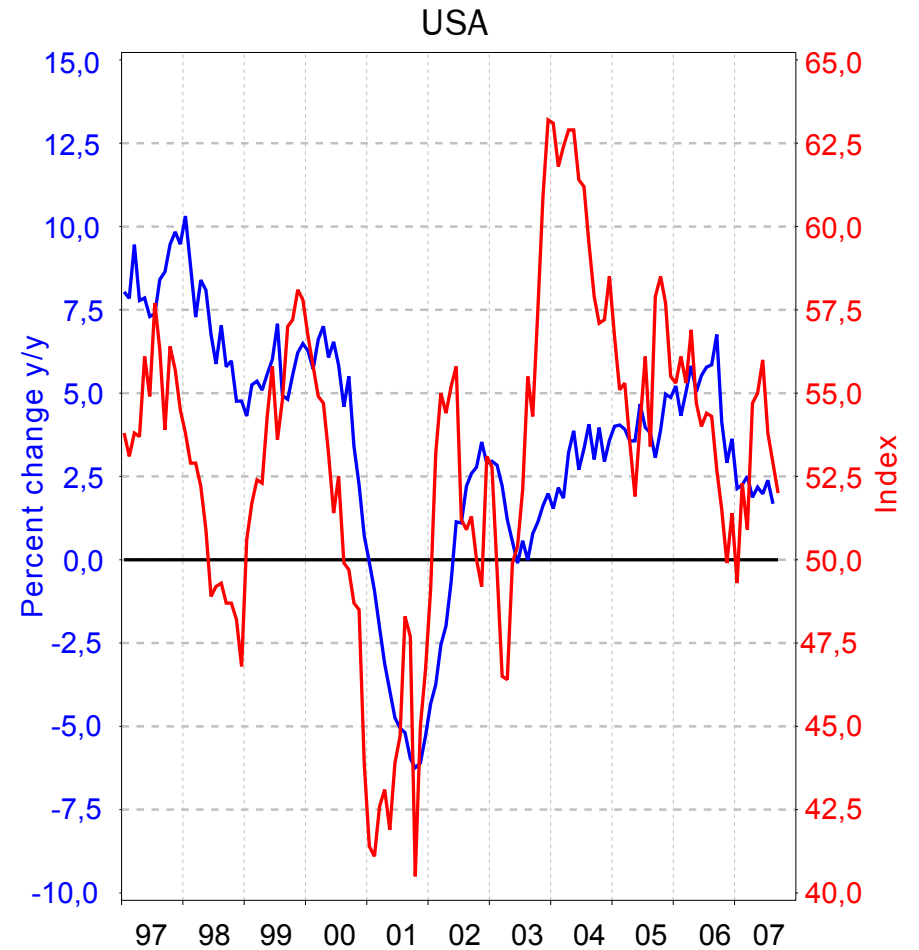
- ▼ Total charges in Q3 of 87 MSEK after tax



USA & EMU Purchasing managers index vs Ind. Production



— 0
 — Business Surveys, PMI, Manufacturing Sector, Total
 — Eurostat, Production, Overall, Total, excluding construction, Index [c.o.p 12 months]

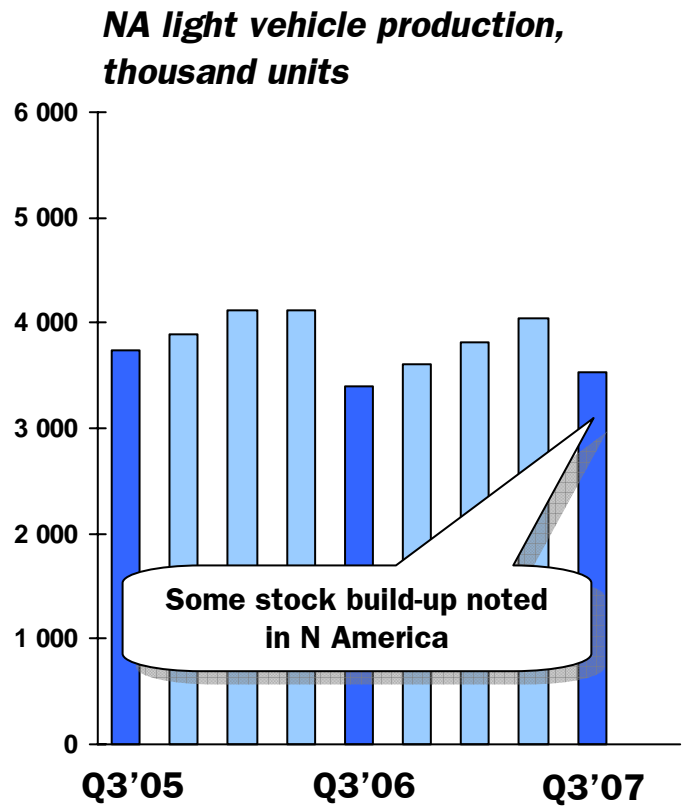


— 0
 — Business Surveys, ISM Manufacturing, PMI total
 — Production, Manufacturing, Overall, Total, Volume, Index [c.o.p 12 months]



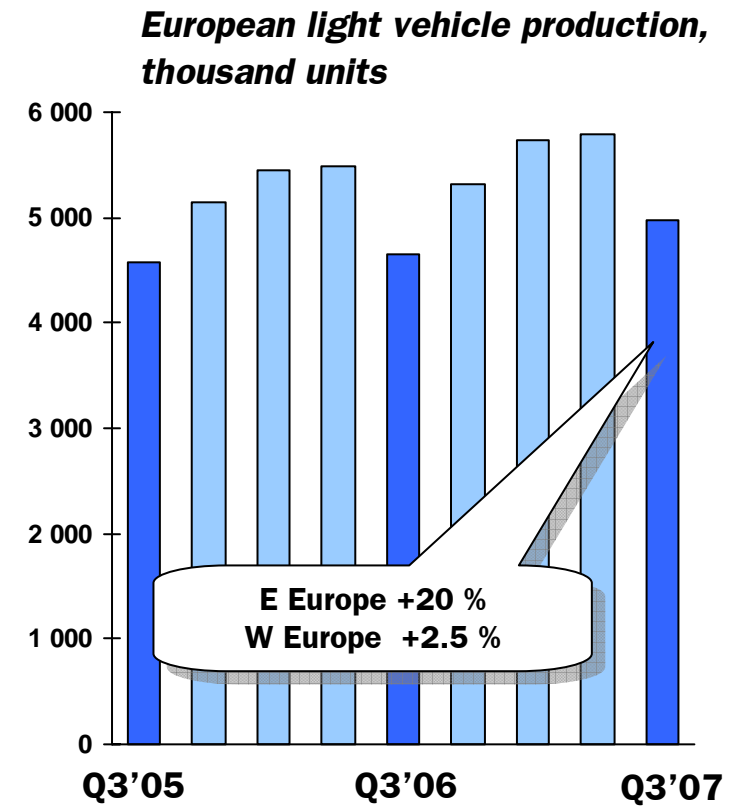
N. American production up, European growth fuelled by the East

Light vehicles, Quarterly change YoY



Some stock build-up noted in N America

	<u>Q3 YoY</u>
Sales	-5.1%
Production	+3.7%



E Europe +20 %
W Europe +2.5 %

	<u>Q3 YoY</u>
Sales	+6.6%
Production	+6.9%

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

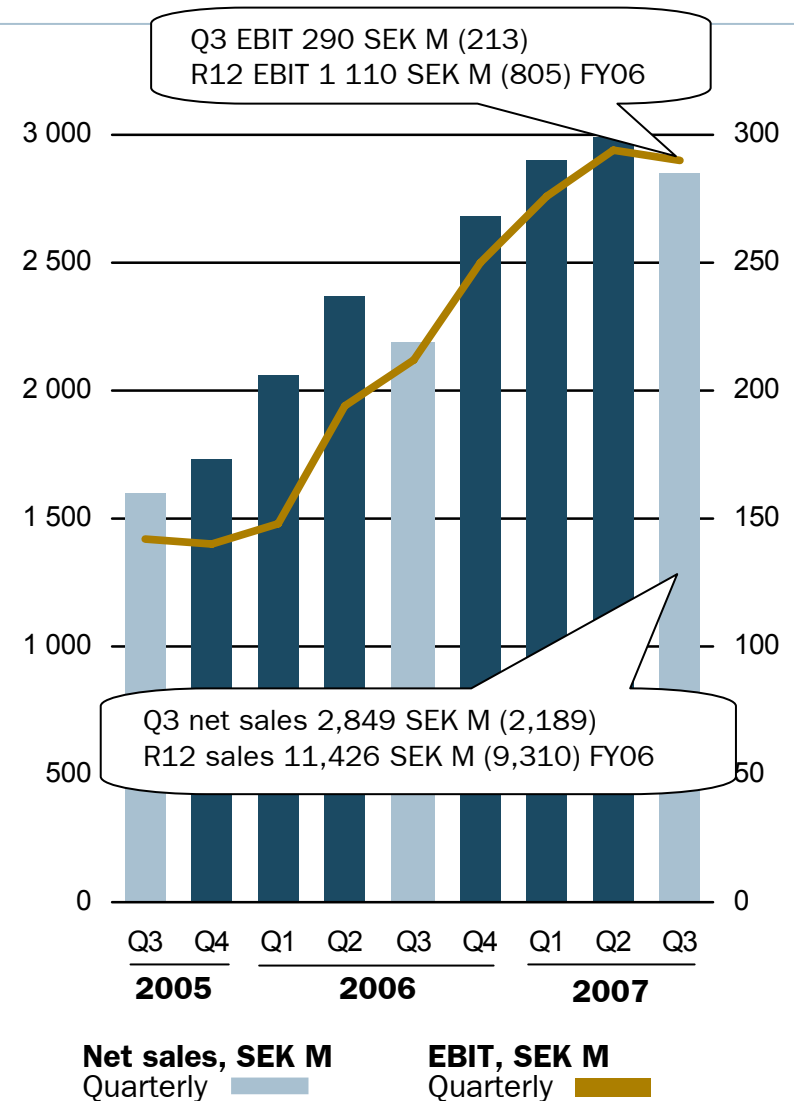
Good sales and profit growth, strong order book

Trelleborg Engineered Systems

- ▼ Organic growth Q3: 10 %. Generally good and stable demand.
- ▼ Continuously strong order book, especially in oil/gas, performance hose and infrastructure construction
- ▼ Actions to consolidate/specialise production taken in Q3 to increase competitive advantage and release synergies
- ▼ Expansion of production for Oil/Gas products run according to plan however causing some inefficiencies in the period.

Near term actions

- ▼ Managing growth in prioritized areas
- ▼ Securing success in expansion projects
- ▼ Continued product portfolio pruning
- ▼ Review of optimisation opportunities



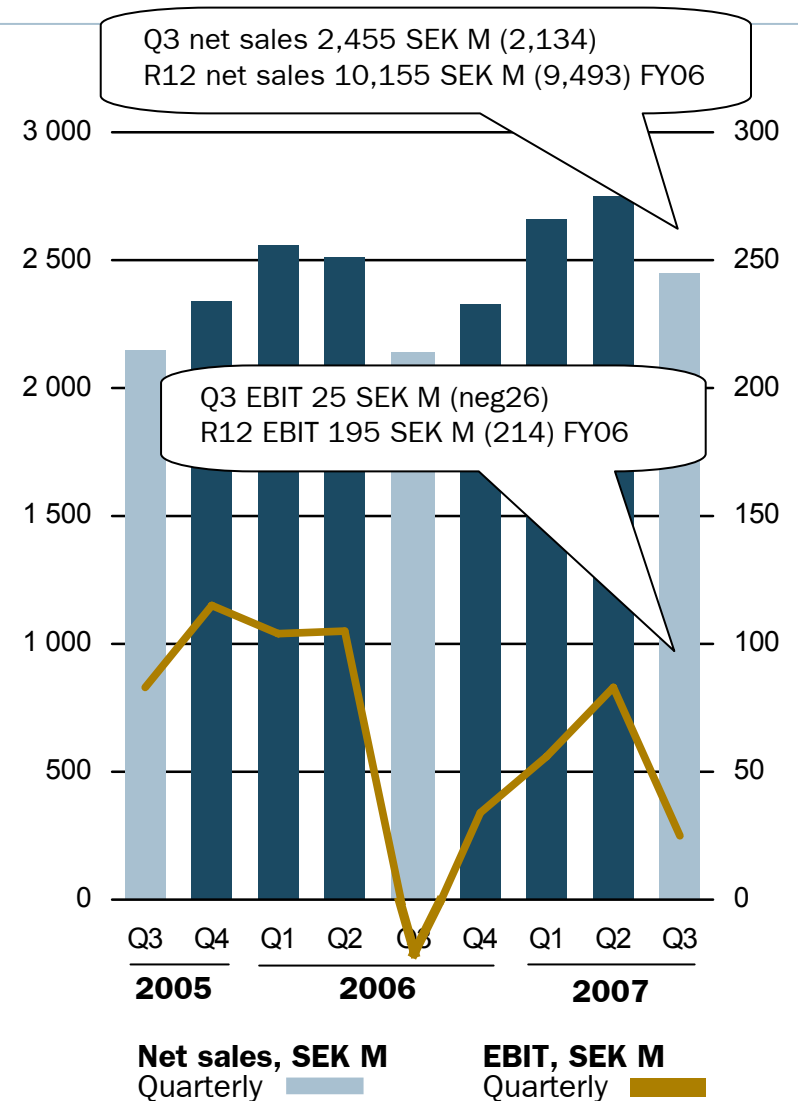
Strong growth and improved profit YoY

Trelleborg Automotive

- ▼ Organic growth Q3: 16 %
- ▼ Continuous strong sales development for antivibration components. Strong sales development in Fluid & Acoustics compared to weak Q306.
- ▼ Results negatively affected by
 - ▼ High raw material prices, in quarterly YoY comparison
 - ▼ Lower net effects from capitalized dev. costs after depr.
 - ▼ Operational inefficiencies in Fluid segment
- ▼ Initiated projects within strategical/operational review run according to plan. Three remaining projects defined.

Near term actions

- ▼ Execution of strategical/operational review
- ▼ Secure excellence in several SOPs
- ▼ Growth initiatives and focusing of operations utilizing global structure



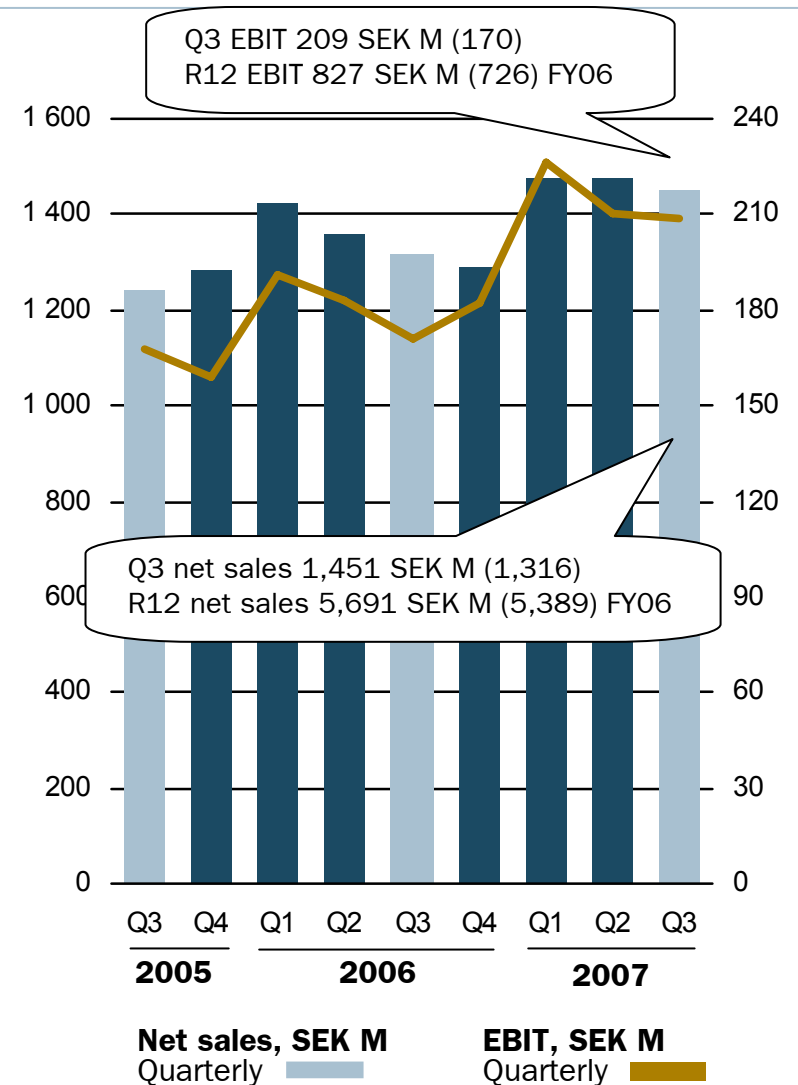
Growth in all segments, profit and margin improved

Trelleborg Sealing Solutions

- ▼ Organic growth: 9 %
- ▼ Higher growth in all continents. Asia up 25 %.
- ▼ Focus on safety critical, technical products in automotive segment has led to higher margins and better positions.
- ▼ Good order intake for Aerospace segment. First serial deliveries to Airbus A380 in the quarter.
- ▼ Integration of AFM Inc and Hydro Components R&D Inc is underway. Continuous screening of possible acquisitions.

Near term actions

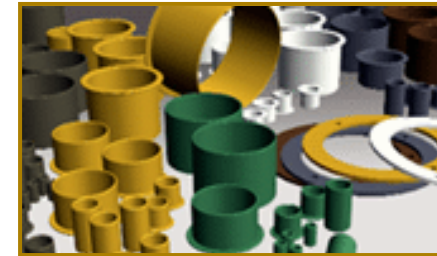
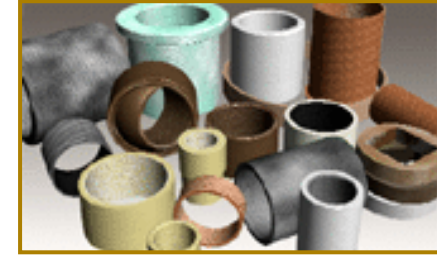
- ▼ Continuous focus on growth initiatives in prioritized areas and growth through acquisitions
- ▼ Continued product portfolio pruning
- ▼ Alternatives for flexible production and increased sourcing are evaluated



Strategic acquisition increases TSS US presence

Acquisition of AFM completed

- ▼ 45 employees - sales of SEK 85 M
- ▼ Rapidly growing distributor of hydraulic seals/customized rubber components
- ▼ Offices in Portland, Oregon, and in Fresno, California
- ▼ Bulk of sales are to OEM customers within several industrial segments
- ▼ The acquisition increases TSS market presence in western USA.
- ▼ AFM is integrated into the BA's overall North American structure



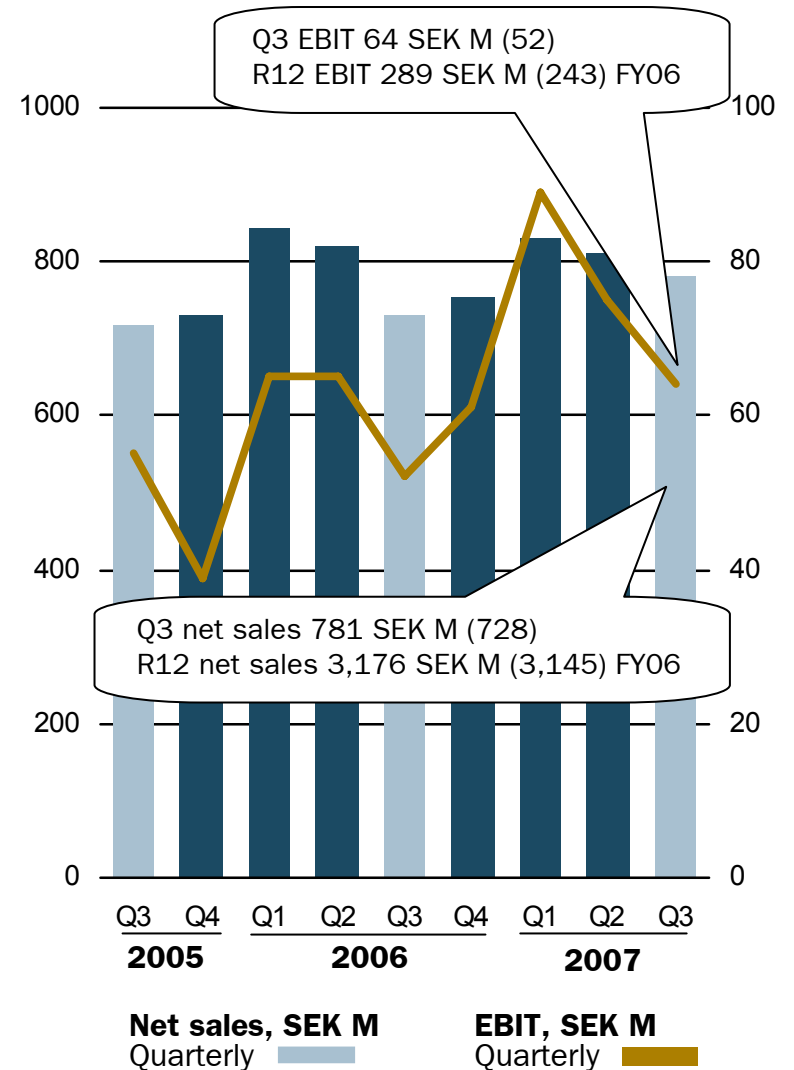
Improved results from focus on prioritized segments

Trelleborg Wheel Systems

- ▼ Organic growth: 10 %. Good demand in prioritized segments
- ▼ Sales increased. Good organic growth for both Agricultural/Forestry tires and Industrial tires.
- ▼ Investments in further improved production structure to meet demand for Agri tyres
- ▼ Efficiency measures in production platform run by large according to plan. Slight delays in Sri Lanka upgrading due to generally high volumes and proactive measures to prevent effects from potential future floodings

Near term actions

- ▼ Continued focus on product mix and improved competitiveness
- ▼ Secure move of production/capacity increase in Sri Lanka
- ▼ Secure success of rebranding project



Acquisition of special tire distributor in Australia

Solid Service Group

- ▼ 40 employees and annual sales of SEK 65 M.
- ▼ Specialised distributor of solid industrial tires in Australia
- ▼ Head office in Dandenong, outside Melbourne. Branches in Melbourne, Sydney, Brisbane, Adelaide, Perth
- ▼ Specialized service for industrial customers, including fixed and mobile pressing units for fitting of all types of industrial tires, primarily for forklifts.
- ▼ The acquisition creates new opportunities for Trelleborg's own tire products and for continued growth in the region



SOLID SERVICE
The Forklift Tyre Specialist



Dow Jones Sustainability Index to include Trelleborg

- ▼ Trelleborg has been selected as an index component of Dow Jones STOXX Sustainability index
- ▼ As one of top 20 percent out of the biggest 600 companies in Europe
- ▼ The annual review of the DJSI family is based on a thorough analysis of corporate economic, environmental and social performance



**Dow Jones
Sustainability Indexes**
Member 2007/08



Competition investigation of subsidiaries

Information from June 26, 2007, is still valid

- ▼ Trelleborg assists the authorities in their investigations
- ▼ Reinforced action program to strengthen knowledge, internal processes and control system is well underway.
- ▼ Currently, it is impossible to accurately assess the financial impact.
- ▼ Ongoing investigations/action program approx. 100 MSEK during 2007 and 2008.
- ▼ External expenses for investigations in Q3 SEK 16 M.
Costs for the action program will be expensed as they arise.



Operating key figures

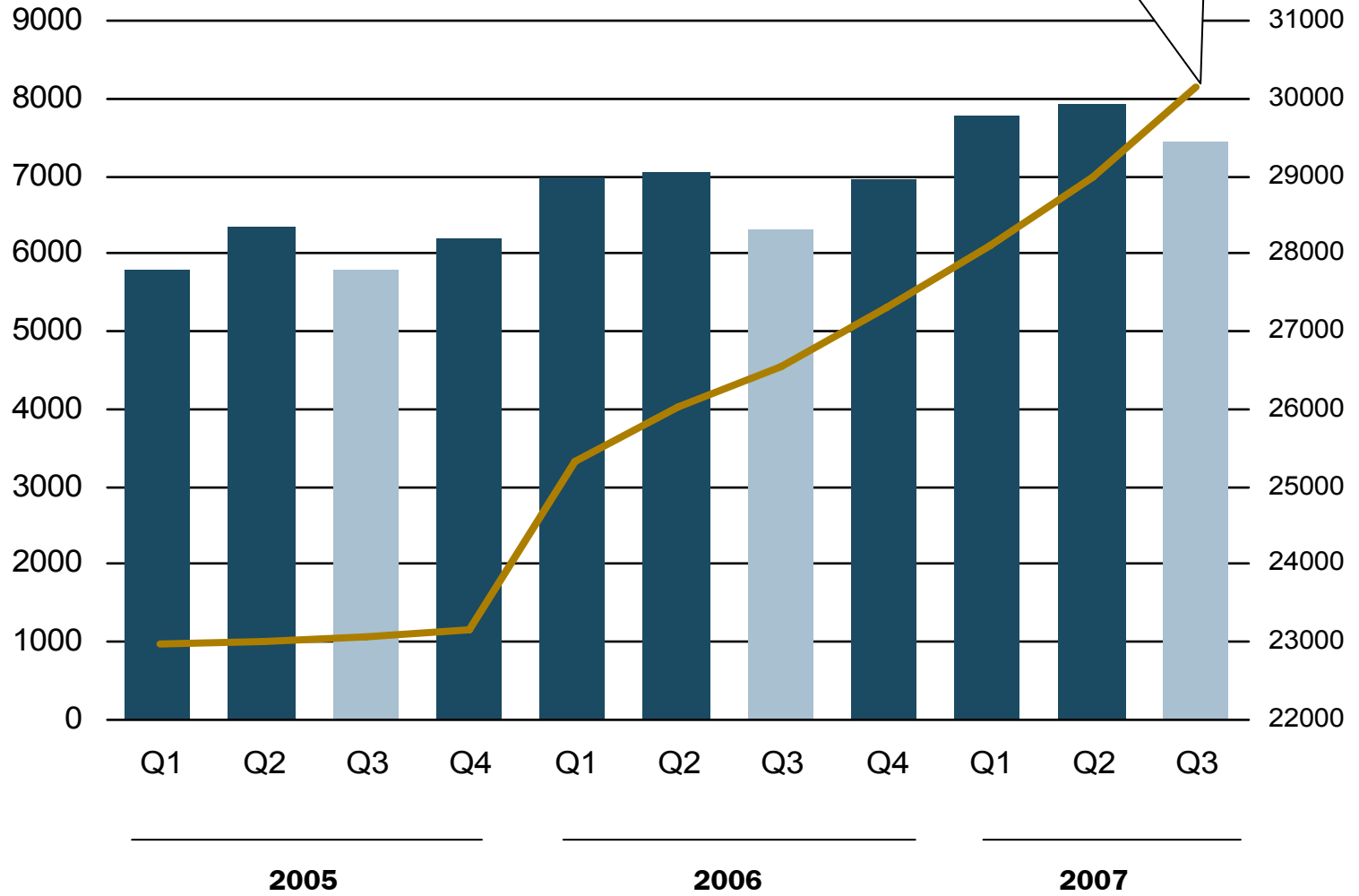
General Comments

- ▼ **High capacity utilization** is addressed in a number of projects in all Business Areas. These projects may momentarily effect efficiency
- ▼ **Raw material/components prices** continues to be volatile and future trends are hard to predict. Price trends for steel and oil indicates no relief in coming quarters

Net Sales Trend



**R12m:
30 117 MSEK**



Net sales, SEK M
Quarterly

Net sales, R12 SEK M



Net sales-bridge

	<u>July - Sep</u>	<u>January - Sep</u>
Organic Growth, %	+12	+ 10
Structural Changes, %	+ 7	+ 6
Currency, %	- 1	- 2
Total, %	+ 18	+ 14

Q3 and Jan - Sep figures in summary

Group Total, MSEK	July - Sep		January - Sep	
	2007	2006	2007	2006
Net Sales	7 453	6 306	23 172	20 342
Operating profit	431	364	1 365	1 348
of which, items affecting comparability	-112	-	-380	-23
Operating Key Figures, MSEK <i>Continuing operations excluding items affecting comparability</i>	<div style="border: 1px solid black; border-radius: 15px; padding: 5px; display: inline-block;"> Q3 Operating Profit up by 49 % </div>			
Operating profit	543	364	1 745	1 339
Operating margin (ROS) %	7.3	5.7	7.5	6.6



Items affecting comparability in Q3

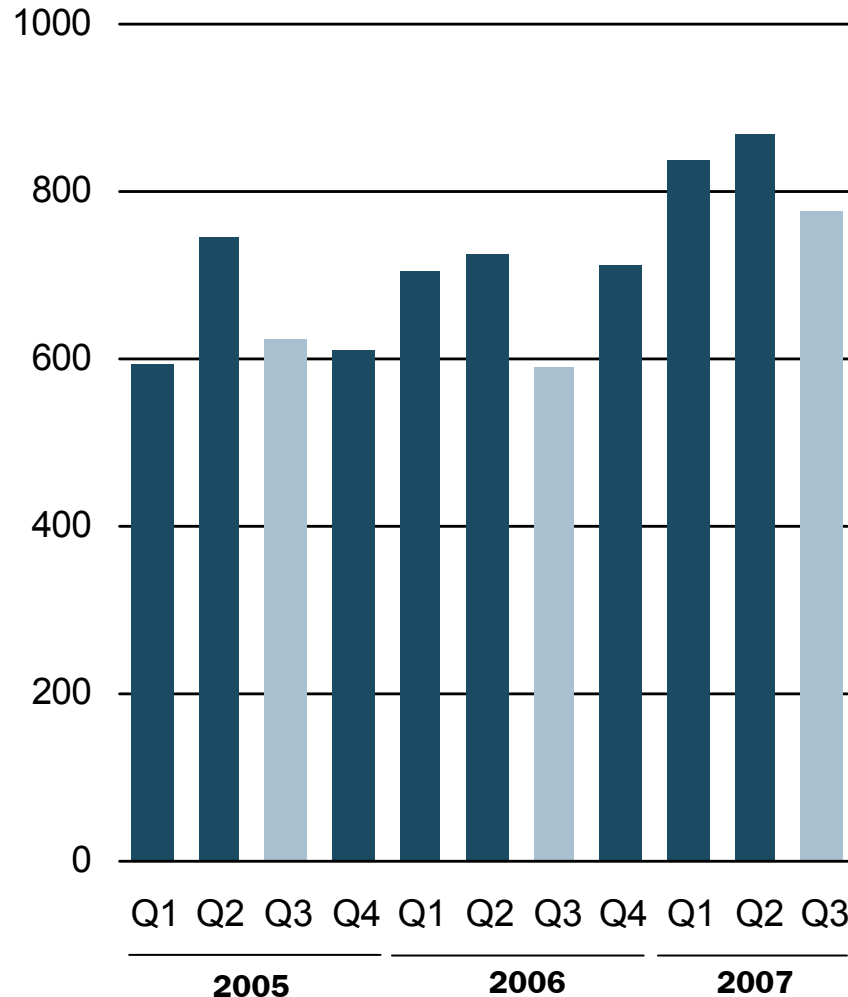
- ▼ Total Items affecting comparability in Q3 – **112 MSEK** pre tax and **87 MSEK** after tax
 - ▼ Efficiency measures in Molded Goods unit and measures to extract synergies in Engineered Fabrics **67 MSEK**
 - ▼ Cost related to earlier communicated measures within Automotive efficiency program **28 MSEK**
 - ▼ External expenses for ongoing competition investigations **16 MSEK**

- ▼ Total Items affecting comparability in 9M – **380 MSEK** pre tax and **301 MSEK** after tax



Operating key figures

Quarterly EBITDA in MSEK, 2005 – 2007



▼ Q3 EBITDA **777 MSEK** (589)

▼ R12 EBITDA **3 198 MSEK**
(2 730 FY06)

▼ EBITDA-margin:

▼ **Q3 10.4 % (9.3)**

▼ **R12 10.5 % (10.0)**

▼ YTD EBITDA-margins, by BA:

▼ **Engineered** 12.3 (10.9)

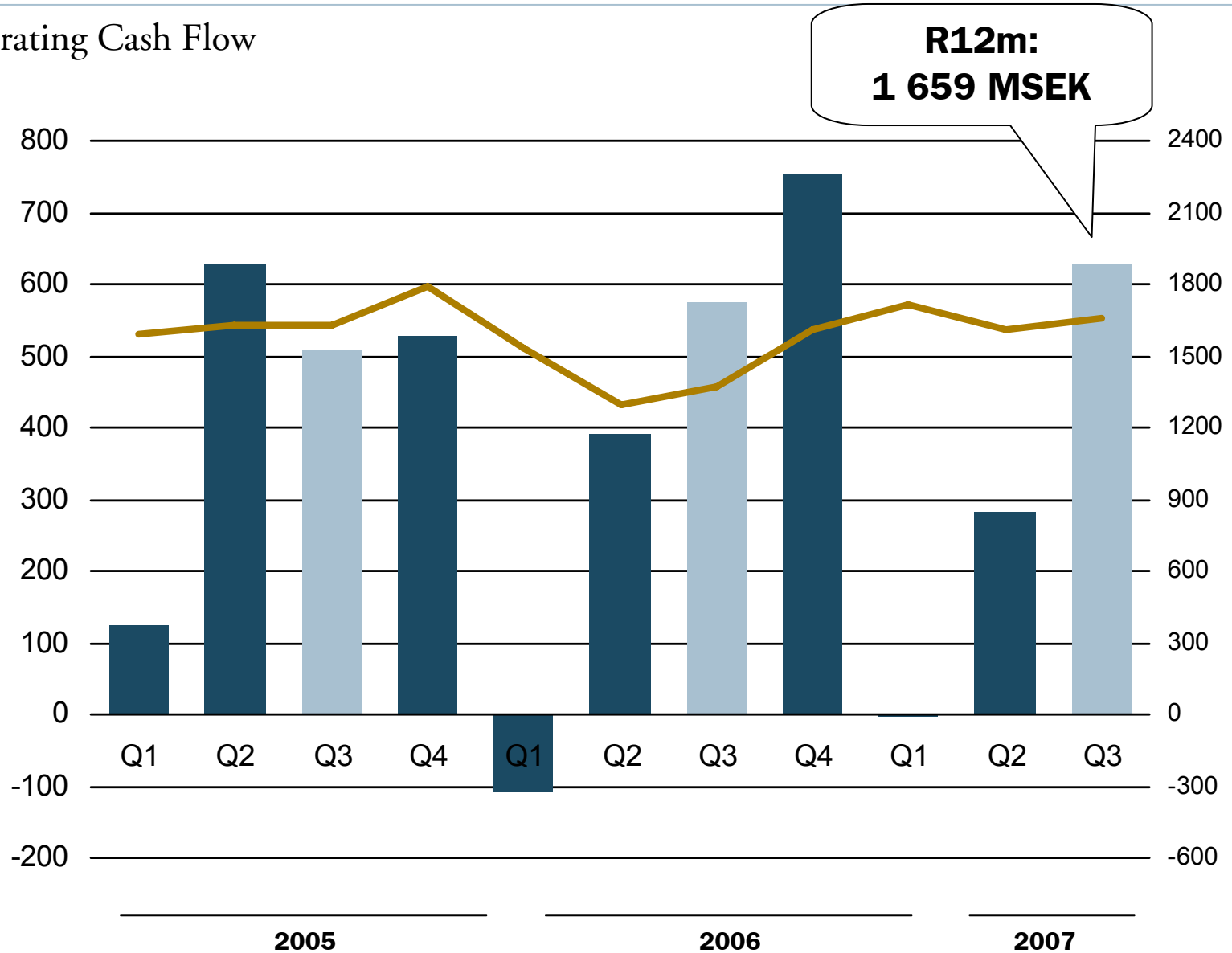
▼ **Automotive** 6.1 (6.5)

▼ **Sealing** 17.7 (16.4)

▼ **Wheel** 12.0 (10.5)

Operating key figures

Operating Cash Flow



Cash Flow Report

Trelleborg Group, SEK M

Jan - Sep	EBITDA ¹⁾		Capital expenditure		Sold fixed assets		Change in working cap.		Total cash flow		Oct 2006- Sep 2007
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	
SEK M											
Engineered Systems	1 108	754	-276	-172	12	10	-255	-159	589	433	971
Automotive	507	532	-292	-348	12	3	-201	-93	26	94	77
Sealing Solutions	796	690	-120	-115	22	57	-193	-97	505	535	764
Wheel Systems	301	259	-100	-80	1	1	-126	-174	76	6	223
Other companies	-8	-6					-5	-6	-13	-12	-15
Group items	-226	-189	-35	-4	-3	10	-12	-18	-276	-201	-361
Oper. cash flow	2 478	2 040	-823	-719	44	81	-792	-547	907	855	1 659
Restructuring measures									-179	-96	-207
Dividend paid to minority									-3		-3
Financial items									-313	-157	-401
Paid tax									-256	-157	-419
Free cash flow									156	445	629
Acquisitions									-321	-1 650	-1 766
Disposals ²⁾									127	175	127
Dividend paid to shareholders									-542	-497	-542
Sum net cash flow									-580	-1 527	-1 552
Net debt, opening balance									-9 350	-7 236	-8 558
Net cash flow for the period									-580	-1 527	-1 552
Borrowing costs									1	-1	-
Exchange rate differences									-36	206	145
Net debt, closing balance									-9 965	-8 558	-9 965

¹⁾ excl. undistributed result from associated companies

²⁾ Incl. cash flow in entities for which an agreement regarding discontinuation has been reached and sale of real estate

Operating key figures

	July - Sep		January - Sep	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Operating Cash Flow in % of Operating Profit	116	158	52	64
Return on Capital Employed, %	10.9	8.0	11.7	9.7
Debt/Equity Ratio, %			102	85
Return on Equity, %	12.4	8.1	13.7	10.3



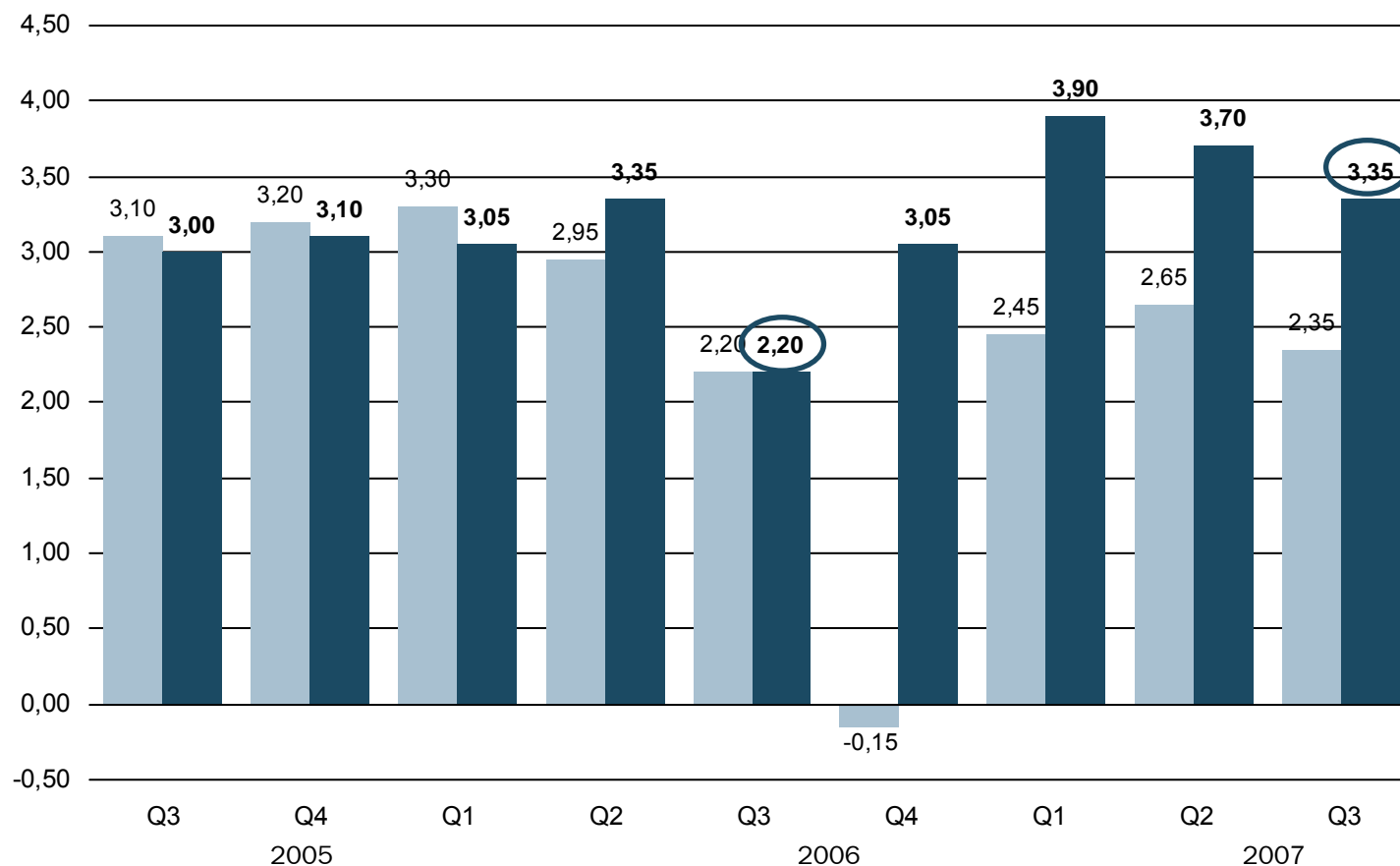
Operating key figures

	<u>July - Sep</u>	<u>January - Sep</u>
Financial Net, in % of average net debt	4.7	4.3
Tax rate, %	28	30



Q3 Earnings Per Share SEK 3.35 (2.20)

Earnings per share, **Light Blue**, and also for continuing operations excl. items affecting comparability, **Blue**, SEK



R12 EPS, continuing operations excl. items affecting comparability

12.65 12.60 13.00 12.50 11.70 11.65 12.50 12.85 **14.00**



Outlook for the fourth quarter of 2007

Unchanged from outlook for the first three quarters of 2007

- ▼ For general industry, demand is not expected to decline, while the very strong demand within the Aerospace and Oil/Gas segments will continue.
- ▼ Cutbacks in production, mainly among North American customers, are expected to have adverse effects on automotive-related operations.

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

Calendar

Year-end Report 2007	February 15, 2008
Annual General Meeting & Interim Report January-March 2008	April 28, 2008

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.

Shareholder contacts

Bo Jacobsson, Chief Financial Officer

Phone: +46 410-670 99, Mobile: +46 70-685 65 60

e-mail: bo.jacobsson@trelleborg.com

Mikael Byström, Senior Vice President, Investor Relations

Phone: +46 410-670 37, Mobile: +46 708-55 21 69

e-mail: mikael.bystroem@trelleborg.com

Viktoria Bergman, Senior Vice President, Corporate Communications

Phone: +46 410-670 94, Mobile: +46 708-47 57 33

e-mail: viktoria.bergman@trelleborg.com

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 .



Trelleborg AB (publ)
Box 153, SE-231 22 Trelleborg, Sweden
Tel: +46 410-670 00 · Fax: +46 410-42763
E-mail: info@trelleborg.com
Internet: www.trelleborg.com