

Welcome to Q1 2008 report update

April 28, 2008




TRELLEBORG

Agenda

Highlights

Business areas

Financials

Market outlook





Group financial highlights

Q1 sales increase of 4%

- ▼ Group net sales SEK 8,067 M (7,776)
- ▼ Group organic growth 5% (10)

Q1 operating profit¹ increase of 2%

- ▼ Operating profit SEK 622 M (607)
- ▼ ROS 7.7% (7.8)

Q1 EBITDA¹ increase of 4%

- ▼ EBITDA SEK 871 M (835)
- ▼ EBITDA margin 10.8% (10.7)
- ▼ R12M EBITDA of SEK 3,312 M (3,276²)

Items affecting comparability

- ▼ Total charges in Q1 of SEK -48 M before tax (-163) and SEK -34 M after tax (-133)
- ▼ Mainly related to previously announced restructuring program within Trelleborg Automotive and Trelleborg Engineered Systems

Note:

¹ Continuing operations excl. items affecting comparability

² Full year 2007



Group highlights

Business environment

- ▼ Strong demand in main markets
- ▼ Sharp decline in North American automotive market, and continued shift from west to east

Raw material prices

- ▼ Continued increases
- ▼ Primarily affecting Trelleborg Automotive

Acquisitions

- ▼ MacDermid Offset Printing Blankets announced (closing expected Q2)
- ▼ Hetag Takdaekning closed
- ▼ TSS India announced (closed April 10)

Competition investigations



Competition investigations

- ▼ Since 2007, two of Trelleborg's subsidiaries in France and the US have been the subject of investigations by competition authorities in the US, EU, UK, Brazil and Japan
- ▼ Trelleborg continues to assist the authorities with their investigations and to take the necessary measures in conjunction with these issues
- ▼ Information and assessments announced earlier concerning the possible impact on the Trelleborg Group remains. Currently, all estimations of the possible financial impact involve considerable uncertainty, but the potential combined financial impact could reach amounts that correspond to a predominant proportion of the Group's pre-tax profits for 2006
- ▼ Of the earlier communicated cost assessment of about SEK 100 M for the action program, SEK 86 M was charged to 2007. The remaining amount totaling about SEK 15 M relates to current legal expenses and is expected to be charged to 2008. No costs were charged to the first quarter
- ▼ Investigations are expected to be concluded during 2008



New restructuring program in Trelleborg Automotive

- ▼ Proposed downsizing of operations in Fluid Solutions business unit in Nantes
 - ▼ Transfer to existing plants in Turkey, Poland and Spain
 - ▼ Affects approximately 450 persons
- ▼ Trade union representatives have been informed and consultations will be initiated
- ▼ Estimated costs of SEK 400 M before tax and SEK 275 M after tax
 - ▼ Most will be charged in Q2 2008
- ▼ Estimated cash effect of SEK 275 M
 - ▼ Most will be charged to 2009
- ▼ Estimated earnings effect p.a. of SEK 110 M before tax
 - ▼ Full impact 2011, but most improvements expected to occur during 2010
- ▼ Expected cash-impacting repayment time of about 3 years from implementation

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Trelleborg Engineered Systems

Q1 2008

- ▼ Organic growth: 2%
- ▼ Favorable demand in main markets
- ▼ Temporary reduction in project deliveries
- ▼ Strong order book
- ▼ Action program within Industrial Hose and Sealing Profiles
- ▼ Acquisition of MacDermid Offset Printing Blankets
- ▼ Acquisition of Hetag Takdaekning

Near term actions

- ▼ Continued portfolio management
- ▼ Manage growth areas
- ▼ Secure savings from structural projects
- ▼ Manage raw material price increases

Trelleborg Engineered Systems ¹			
SEK M	Q1 2008	Q1 2007	Change
Net sales	2,896	2,896	0.0%
EBITDA	340	347	-2.0%
EBITDA margin, %	11.7	11.9	-20bp
Operating profit	267	276	-3.3%
ROS, %	9.1	9.5	-40bp
Operating cash flow	-79	110	
Operating cash flow in % of operating profit	neg	40	

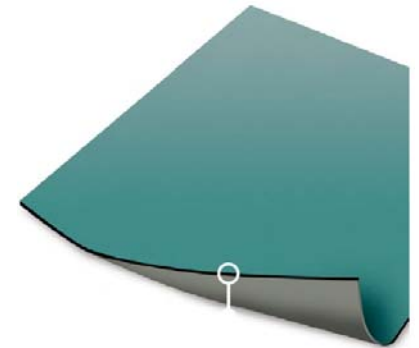
Note:

¹ Continuing operations excl. items affecting comparability



Acquisition of MacDermid Offset Printing Blankets

- ▼ Approx. 400 employees and annual sales of SEK 540 M
- ▼ Purchase consideration SEK 400 M in cash
- ▼ Leading player in Printing Blankets for the graphic industry
- ▼ Establishes Trelleborg as number one in Europe and number two in North America within Printing Blankets





Trelleborg Automotive

Q1 2008

- ▼ Organic growth: 5%
- ▼ Continued good sales development and further market share gain in AVS
- ▼ Negative effect on working capital and profits from market disturbances in North America
- ▼ Negative effect from raw materials
- ▼ Inventory build-up in structural projects

Near term actions

- ▼ Execution of restructuring programs
- ▼ Customer pruning and focused growth to improve margins
- ▼ Manage raw material price increases
- ▼ Continued strategic and operational review

Trelleborg Automotive ¹			
SEK M	Q1 2008	Q1 2007	Change
Net sales	2,713	2,609	4.0%
EBITDA	137	146	-6.2%
EBITDA margin, %	5.1	5.5	-40bp
Operating profit	32	55	-42.0%
ROS, %	1.3	2.0	-70bp
Operating cash flow	-326	-66	
Operating cash flow in % of operating profit	neg	neg	

Note:

¹ Continuing operations excl. items affecting comparability



Trelleborg Sealing Solutions

Q1 2008

- ▼ Organic growth: 6%
- ▼ Favorable demand in prioritized segments and geographic markets
- ▼ Actions to optimize portfolio and manufacturing structure launched in the USA and UK
- ▼ Acquisition of outstanding minority in subsidiary TSS India
- ▼ Continued benefits from Global Growth Initiatives

Near term actions

- ▼ Integration of acquired companies
- ▼ Continued focus on Global Growth Initiatives
- ▼ Optimize manufacturing structure

Trelleborg Sealing Solutions			
SEK M	Q1 2008	Q1 2007	Change
Net sales	1,584	1,476	7.3%
EBITDA	294	269	9.3%
EBITDA margin, %	18.6	18.2	40bp
Operating profit	249	226	10.2%
ROS, %	15.7	15.3	40bp
Operating cash flow	122	56	
Operating cash flow in % of operating profit	49	25	



Trelleborg Wheel Systems

Q1 2008

- ▼ Organic growth: 14%
- ▼ Continued strong demand, especially for large size agricultural tires
- ▼ Continued improvement of product and price mix
- ▼ Transfer of special wheels manufacturing from Denmark to Latvia according to plan
- ▼ Investments and efficiency improvements in Sri Lanka for industrial tires

Near term actions

- ▼ Manage growth and optimize capacity
- ▼ Secure benefits from restructuring projects
- ▼ Manage raw material price increases

Trelleborg Wheel Systems¹

SEK M	Q1 2008	Q1 2008	Change
Net sales	962	830	16.0%
EBITDA	133	108	23.0%
EBITDA margin, %	13.9	13.0	90bp
Operating profit	109	89	22.0%
ROS, %	11.4	10.8	60bp
Operating cash flow	-34	-23	
Operating cash flow in % of operating profit	neg	neg	

Note:

¹ Continuing operations excl. items affecting comparability

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Group financials

Trelleborg Group

SEK M	Q1 2008	Q1 2007	Change	R12M	2007 ²	Change
Net sales	8,067	7,776	3.7%	31,262	30,971	0.9%
Operating profit	574	445	29.0%	1,836	1,707	7.6%
Items affecting comparability	-48	-163		-443	-558	
Operating figures¹						
Net sales	8,067	7,729	4.4%	31,148	30,810	1.1%
EBITDA	871	835	4.3%	3,312	3,276	1.1%
EBITDA margin, %	10.8	10.7	10bp	10.6	10.6	0bp
Operating profit	622	607	2.5%	2,289	2,274	0.7%
ROS, %	7.7	7.8	-10bp	7.3	7.3	0bp
Operating cash flow	-388	1		1,329	1,718	
Operating cash flow in % of operating profit	neg	0		58	76	

Note:

¹ Continuing operations excl. items affecting comparability

² Full year 2007



Items affecting comparability

- ▼ Total items affecting comparability of SEK -48 M before tax (-163) and SEK -34 M after tax (-133) related to:
 - ▼ Ongoing restructuring within Trelleborg Engineered Systems: SEK -22 M
 - ▼ Ongoing restructuring program within Trelleborg Automotive: SEK -25 M
 - ▼ Ongoing restructuring within Trelleborg Wheel Systems: SEK -1 M

- ▼ Q2 2008
 - ▼ Ongoing activities

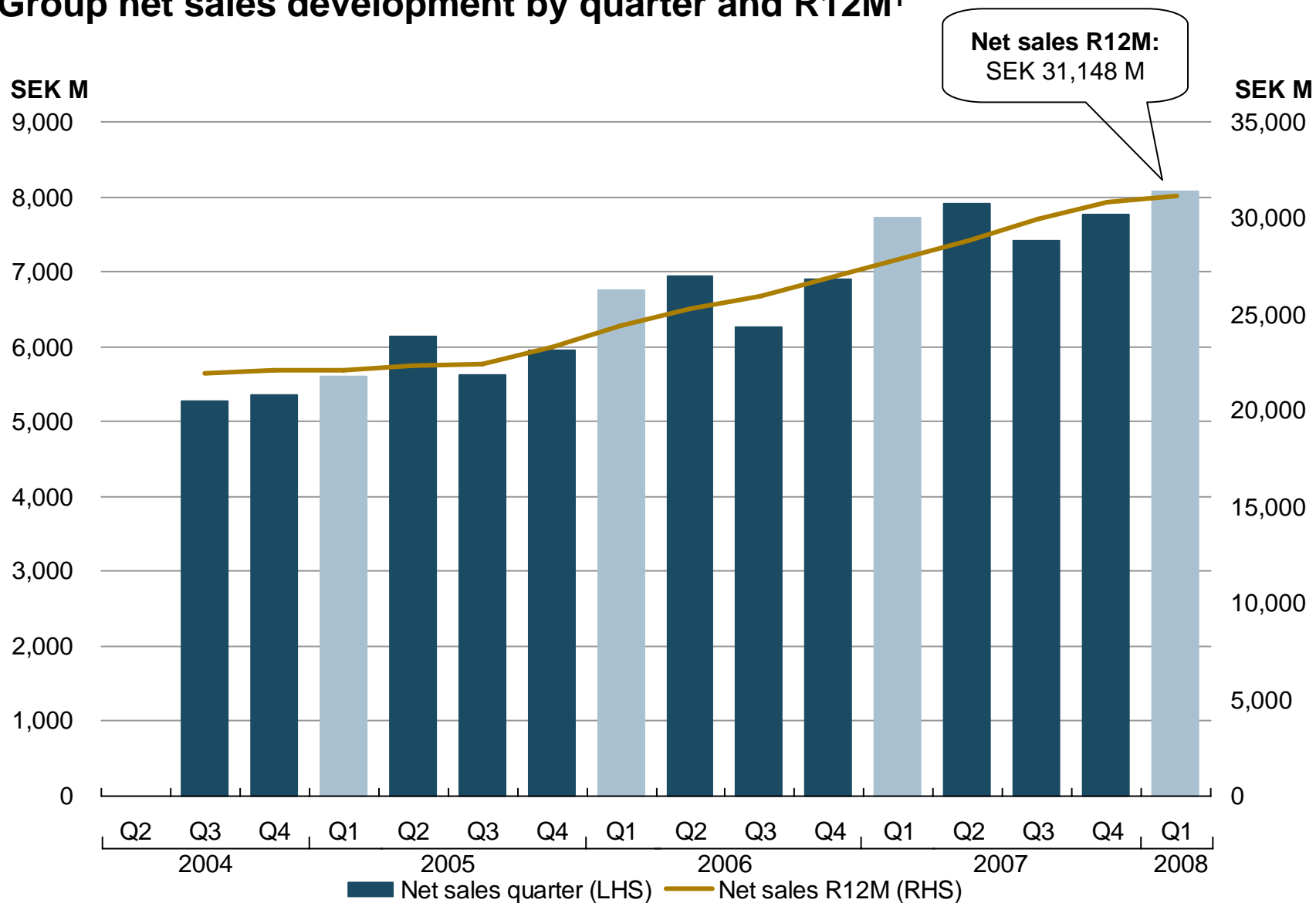


Net sales bridge

Net sales bridge		
%	Q1 2008	Q1 2007
Organic growth	+5	+10
Structural changes	+1	+5
Currency	-2	-4
Total	+4	+11



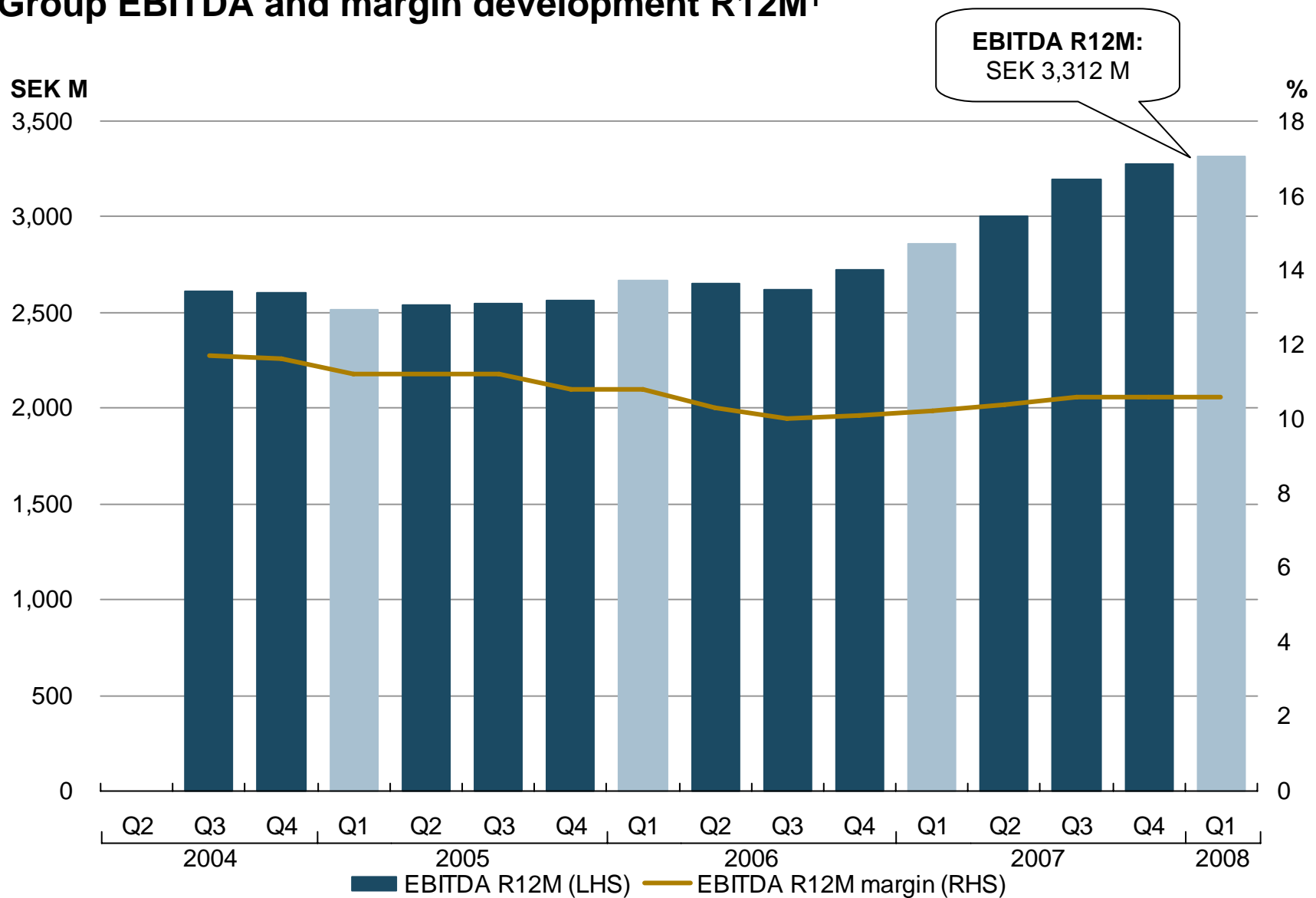
Group net sales development by quarter and R12M¹



Note:
¹ Continuing operations



Group EBITDA and margin development R12M¹



Note:
¹ Continuing operations excl. items affecting comparability



Operating key figures¹

Operating key figures

%	R12M	2007 ²
Return on capital employed	11.4	11.5
Return on equity	12.6	13.0
Debt / Equity ratio	107	100

Operating key figures

%	Q1 2008	2007 ²
Financial net in % of avg. net debt	5.0	4.4
Tax rate	30.0	30.0

Note:

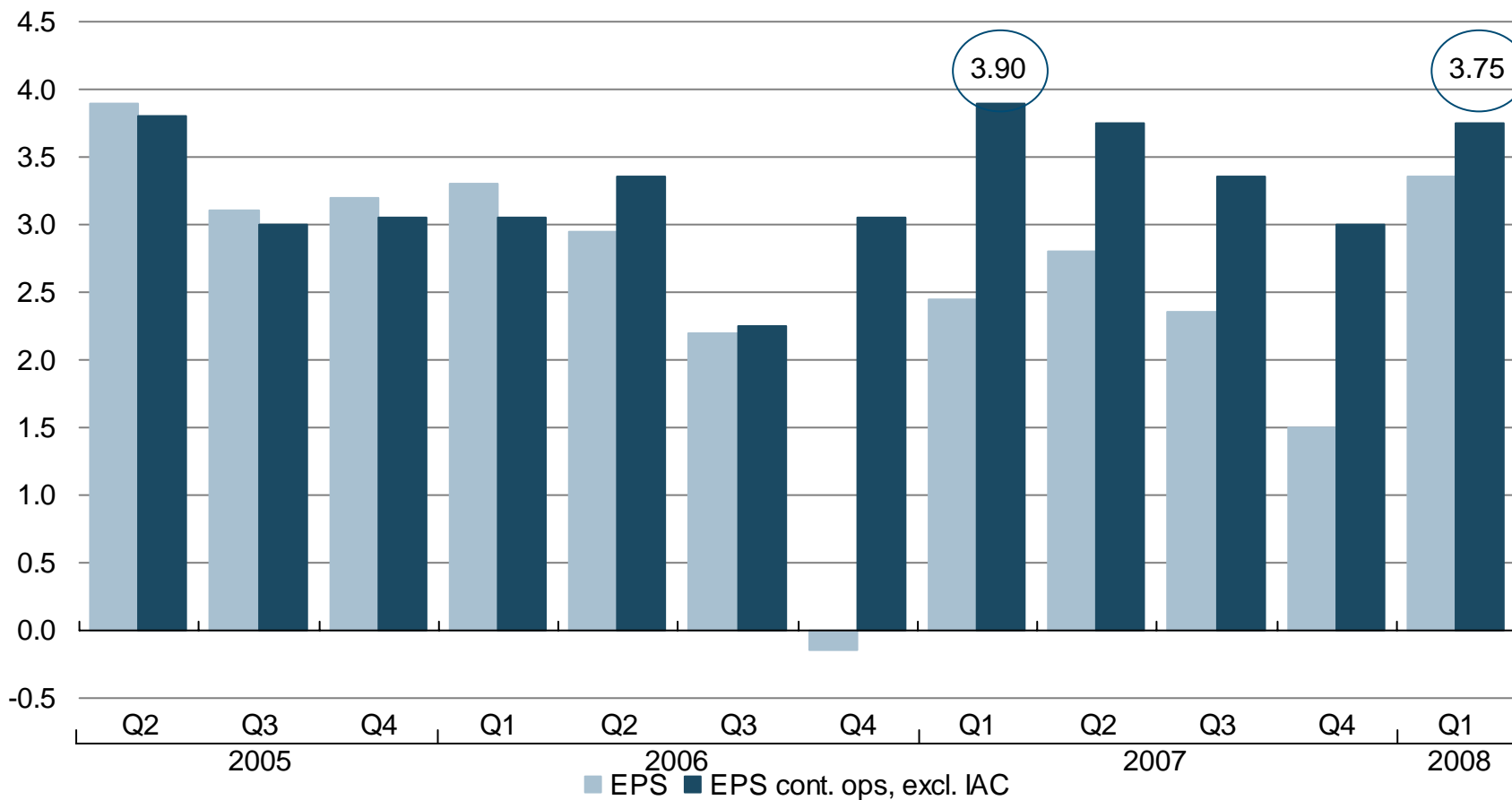
¹ Continuing operations excl. items affecting comparability

² Full year 2007



Earnings per share

SEK



R12M¹: 12.20 12.60 12.50 12.90 12.45 11.70 11.70 12.55 12.95 14.05 14.00 13.85

Note:
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Market outlook for Q2 2008

Continued favorable growth is expected within most of the Group's market segments. For such segments as Aerospace, Offshore Oil/Gas and Agriculture, demand is expected to remain highly robust

For automotive-related operations, the North American market is expected to be weaker than in 2007, while the European market is to experience slight growth

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

Calendar

Interim Report January-June 2008

July 24, 2008

Interim Report January-September 2008

October 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, Corporate Communications, 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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