

Welcome to Q2 2008 report update

July 24, 2008




TRELLEBORG

Agenda

Highlights

Business areas

Financials

Market outlook



Group financial highlights

Q2 sales increase of 5%

- ▼ Group net sales SEK 8,326 M (7,943)
- ▼ Group organic growth 7% (8)

Q2 operating profit¹ increase of 23%

- ▼ Operating profit SEK 734 M (596)
- ▼ ROS 8.7% (7.5)

Q2 EBITDA¹ increase of 14%

- ▼ EBITDA SEK 989 M (869)
- ▼ EBITDA margin 11.8% (10.9)
- ▼ R12M EBITDA of SEK 3,432 M (3,276²)

Items affecting comparability

- ▼ Total charges in Q2 of SEK -397 M before tax (-105)
- ▼ Mainly related to previously announced actions within Trelleborg Automotive Fluid Solutions

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

- ▼ Four acquisitions completed during Q2 2008 – adding combined annual sales of c. SEK 750 M
- ▼ Pressonova

Competition investigations

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Trelleborg Engineered Systems

Q2 2008

- ▼ Organic growth: 10%
- ▼ Favorable demand in main markets
- ▼ Improved volume, cost efficiency and product mix
- ▼ Increased project deliveries
- ▼ MacDermid Offset Printing Blankets acquisition closed

Near term actions

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

Trelleborg Engineered Systems			
SEK M	Q2 2008	Q2 2007	Change
Net sales	3,214	2,989	7.5%
EBITDA	447	367	21.8%
EBITDA margin, %	13.6	12.2	140bp
Operating profit	366	294	24.5%
ROS, %	11.1	9.8	130bp
Operating cash flow	260	181	
Operating cash flow in % of operating profit	71	62	



Trelleborg Automotive

Q2 2008

- ▼ Organic growth: -1%
- ▼ Sharp decline in North America, slow-down in Western Europe
- ▼ Sales negatively affected by North American market situation
- ▼ Negative effects from raw materials
- ▼ Improved cash flow from reduced working capital

Near term actions

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

Trelleborg Automotive ¹			
SEK M	Q2 2008	Q2 2007	Change
Net sales	2,626	2,711	-3.1%
EBITDA	123	205	-40.0%
EBITDA margin, %	4.7	7.5	-280bp
Operating profit	20	85	-76.5%
ROS, %	0.8	3.1	-230bp
Operating cash flow	205	-25	
Operating cash flow in % of operating profit	1,025	neg	

Note:

¹ Continuing operations excl. items affecting comparability



Trelleborg Sealing Solutions

Q2 2008

- ▼ Organic growth: 9%
- ▼ Favorable demand in prioritized markets
- ▼ Improved internal efficiency and product mix
- ▼ Actions to optimize portfolio and manufacturing structure launched in Canada
- ▼ Continued benefits from Global Growth Initiatives

Near term actions

- ▼ Optimize manufacturing structure and product portfolio
- ▼ Continued focus on Global Growth Initiatives

Trelleborg Sealing Solutions ¹			
SEK M	Q2 2008	Q2 2007	Change
Net sales	1,602	1,477	8.5%
EBITDA	328	257	27.6%
EBITDA margin, %	20.4	17.4	300bp
Operating profit	281	210	33.8%
ROS, %	17.5	14.3	320bp
Operating cash flow	234	190	
Operating cash flow in % of operating profit	83	90	

Note:

¹ Continuing operations excl. items affecting comparability



Trelleborg Wheel Systems

Q2 2008

- ▼ Organic growth: 21%
- ▼ Continued strong demand, especially for large size agricultural tires
- ▼ High capacity utilization and continued improvement of product mix
- ▼ Improved operating margins despite raw material price increases

Near term actions

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

Trelleborg Wheel Systems¹

SEK M	Q2 2008	Q2 2007	Change
Net sales	977	812	20.3%
EBITDA	131	108	21.3%
EBITDA margin, %	13.4	13.2	20bp
Operating profit	110	75	46.7%
ROS, %	11.2	9.2	200bp
Operating cash flow	87	53	
Operating cash flow in % of operating profit	79	71	

Note:

¹ Continuing operations excl. items affecting comparability

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Group financials

Trelleborg Group						
SEK M	Q2 2008	Q2 2007	Change	H1 2008	H1 2007	Change
Net sales	8,326	7,943	4.8%	16,393	15,719	4.3%
Operating profit	337	489	-31.1%	911	934	-2.5%
Items affecting comparability	-397	-105		-445	-268	
Operating figures¹						
Net sales	8,326	7,904	5.3%	16,393	15,633	4.9%
EBITDA	989	869	13.8%	1,860	1,704	9.2%
EBITDA margin, %	11.8	10.9	90bp	11.3	10.8	50bp
Operating profit	734	596	23.2%	1,356	1,203	12.7%
ROS, %	8.7	7.5	120bp	8.2	7.6	60bp
Operating cash flow	746	269		358	270	
Operating cash flow in % of operating profit	102	45		26	22	

Note:
¹ Continuing operations excl. items affecting comparability

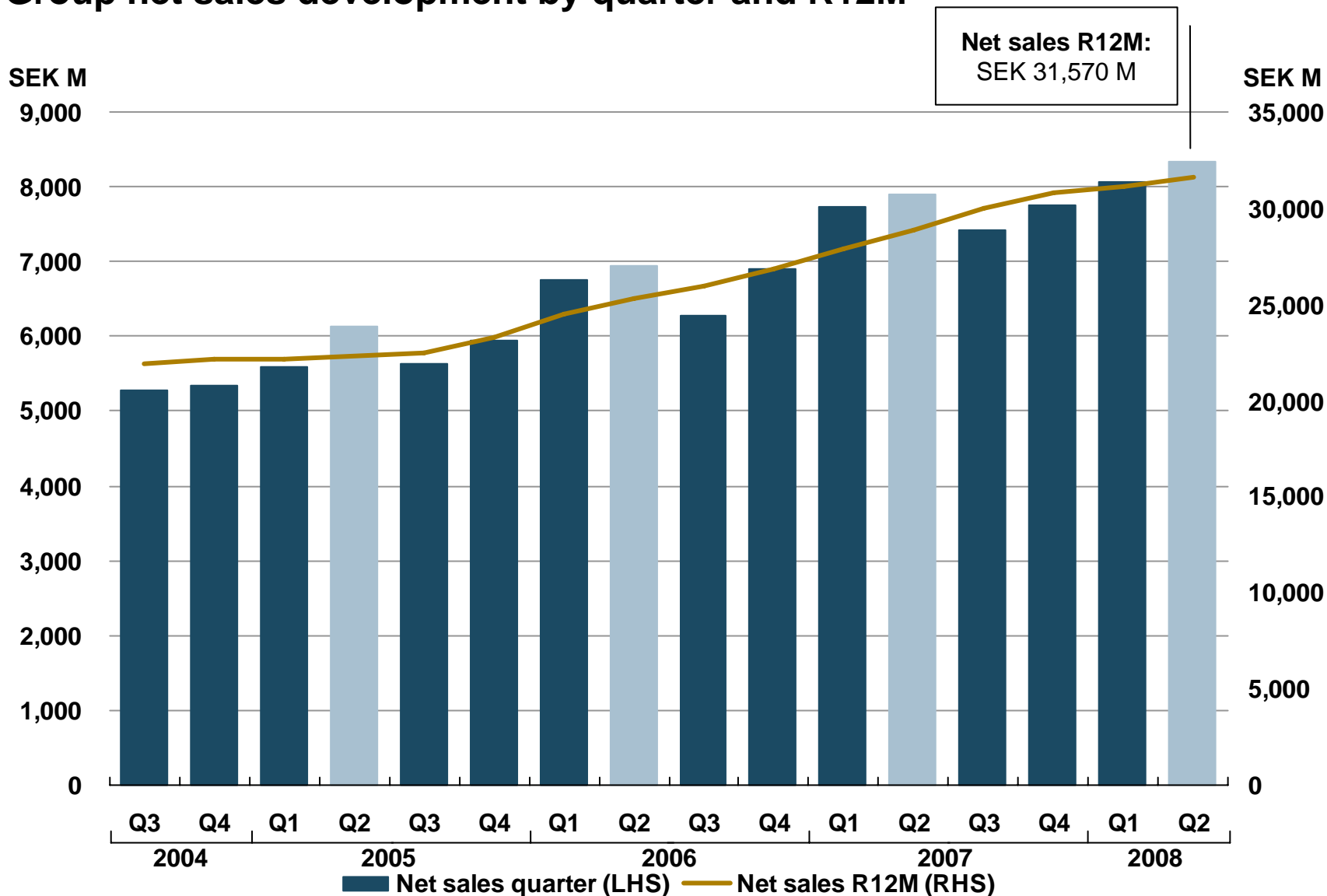


Net sales bridge

Net sales bridge				
%	Q2 2008	Q2 2007	H1 2008	H1 2007
Organic growth	+7	+8	+6	+9
Structural changes	+1	+7	+1	+6
Currency	-3	-2	-3	-3
Total	+5	+13	+4	+12



Group net sales development by quarter and R12M¹



Note:
¹ Continuing operations



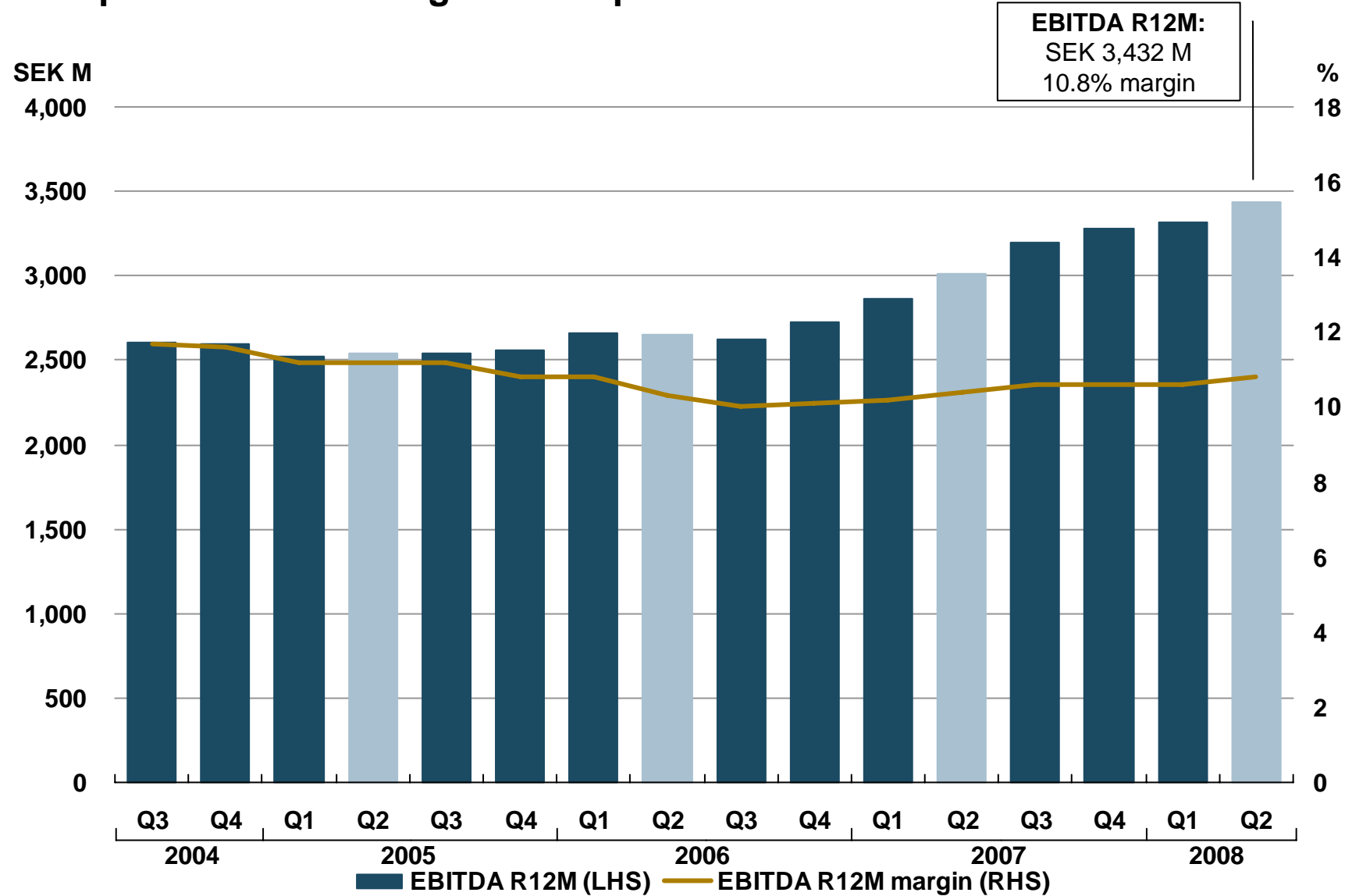
Items affecting comparability

- ▼ Total items affecting comparability of SEK -397 M before tax (-105) and SEK -269 M after tax (-82) related to:
 - ▼ Previously announced restructuring programs within Trelleborg Automotive: SEK -361 M
 - ▼ Restructuring program within Trelleborg Sealing Solutions in Canada: SEK -25 M
 - ▼ Legal costs related to competition investigation: SEK -11 M

- ▼ Q3 2008
 - ▼ Ongoing activities



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	12.0	11.5
Return on equity	14.1	13.0
Debt / Equity ratio	118	100

Operating key figures

%	Q2 2008	Q2 2007	H1 2008	H1 2007
Financial net in % of avg. net debt	4.6	4.0	4.8	4.0
Tax rate	27	31	28	31

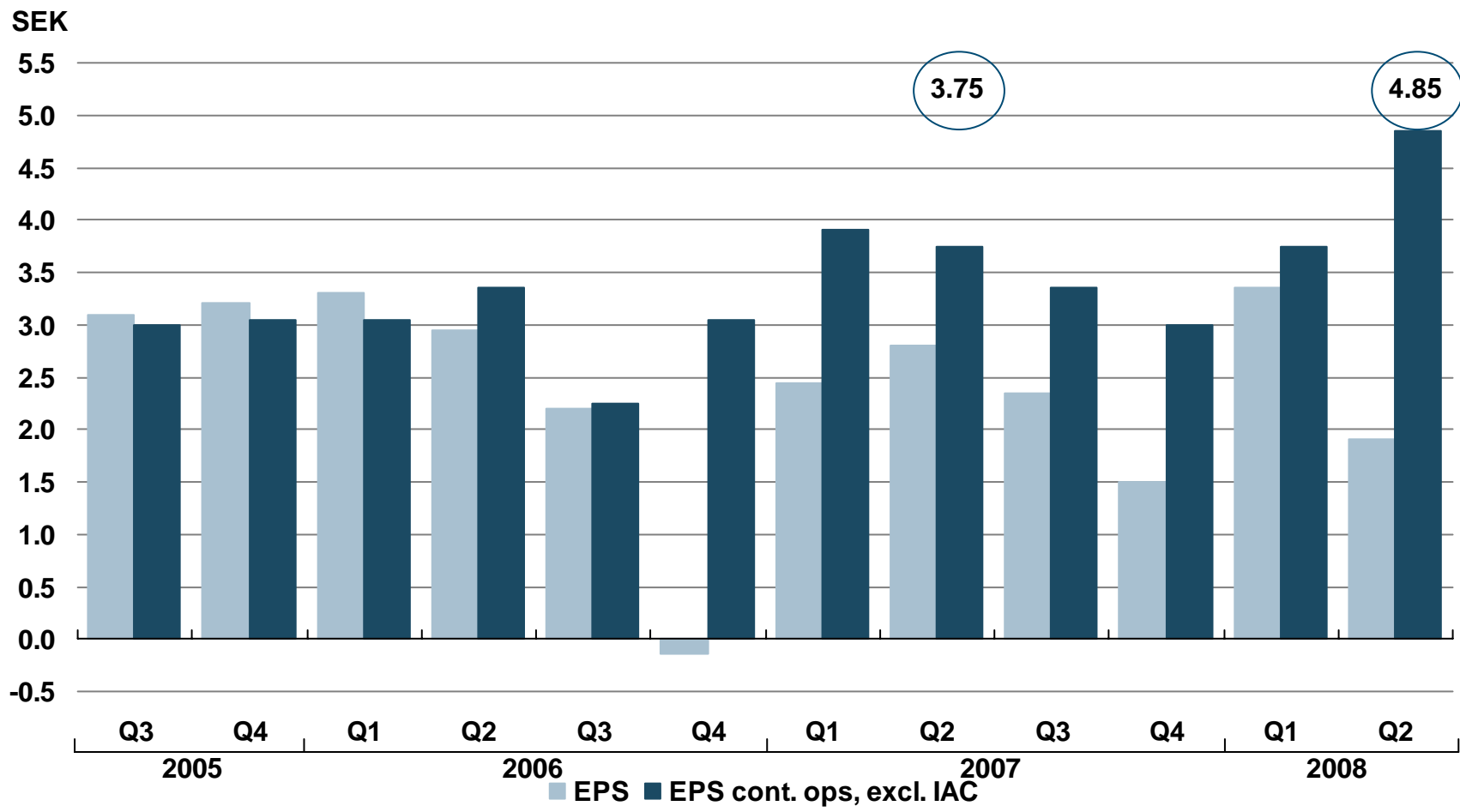
Note:

¹ Continuing operations excl. items affecting comparability

² Full year 2007



Earnings per share



R12M¹: 12.60 12.50 12.90 12.45 11.70 11.70 12.55 12.95 14.05 14.00 13.85 **14.95**

Note:
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Market outlook for Q3 2008

Demand is expected to remain favorable within most of the Group's market segments. In such segments as Aerospace, Offshore Oil/Gas, Infrastructure Construction and Agriculture, demand is expected to remain very strong

For automotive-related operations, the North American market is expected to be weaker than in 2007. A slow-down is expected in the European market

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

Calendar

Interim Report January-September 2008
Capital Markets Day
Year-end report 2008

October 28, 2008
December 3, 2008
February 11, 2009

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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