

Report by the Board of Directors on internal control over the financial reporting for fiscal year 2006

Trelleborg has defined internal control in a broader perspective as a process that is influenced by the Board of Directors, executive management and other employees and formulated to provide a reasonable assurance that Trelleborg's goals are achieved in terms of appropriate and effective business activities, reliable financial reporting and compliance with applicable legislation and regulations. The process is based on a control environment that creates discipline and structure for the other four components of the process, namely, risk assessment, control structures, information, communication and monitoring. The departure point for the process is the framework for internal control issued by the Committee of Sponsoring Organization of the Treadway Commission (COSO).

This internal control report has not been reviewed by the company's auditors.

Control environment

Decision-making channels, authorization and responsibility are defined in the Board's rules of procedure, instructions for the Audit Committee and instructions for the President, and in the authorization and division of responsibility that pertains to the legal and operational organizations.

Trelleborg has control instruments in the form of policies, and manuals that contain binding rules and a number of recommendations that provide guidelines and instructions for the Group's operations and employees, such as Business Concepts and Objectives, Values, Code of Conduct, Financial Policy, Communications Policy and Financial Manual.

The instruments named above, combined with laws and regulations, including the Swedish Code of Corporate Governance, comprise pertinent regulations for publicly listed companies, and the articles of association provide the foundation for the control environment.

Risk assessment

Trelleborg's process for risk assessment, involving the identification of significant risks to which the operations are exposed, including the financial reporting, is the basis for control and control level requirements within the parameters established by the Board of Directors and the executive management.

A comprehensive risk assessment concerning risk related to financial reporting was conducted during 2005 to identify the areas in which these risks lie within the organization and its processes. The risk assessment was led by the Internal Control staff function and resulted in a more clearly defined target scenario for the focus of continued efforts to further develop and improve internal control over the financial reporting.

The detailed risk assessment from 2005

was updated in 2006 where it was established that the risk assessment from 2005 still applies and therefore the target scenario regarding the focus on the continued work with the financial control over the financial reporting stands firm.

Control structures

The significant risks identified that impact the internal control over the financial reporting are managed by Trelleborg's control structures. These structures are intended to ensure the fulfillment of fundamental requirements for the financial reporting and are documented in process and internal control descriptions.

Ongoing work efforts are continuing to eliminate or reduce identified significant risks that impact the internal control over the financial reporting within the parameters established by the Board and executive management.

The work includes development and improvements of control activities and systems in order to prevent, discover and correct errors and deviations. The work also includes further training for the employees.

In 2006, a special set of regulations with standards and minimum requirements for internal control over the financial reporting and tools for the documentation of processes and internal control descriptions in a number of prioritized risk areas were developed. The process of implementing these regulations in approximately 40 of the Group's largest legal entities is currently underway. An additional number of legal entities will be included in this work from 2007.

In 2007, a set of regulations with standards and minimum requirements for steering internal control over the financial reporting will be expanded to include further risk areas.

Information and communication

Trelleborg has internal information and communication channels intended to support completeness and accuracy in the financial reporting, for example, by providing access to and knowledge of instruments in the form of policies, manuals and recommendations concerning financial reporting for all affected employees. In addition, results of the company's work with internal controls over the financial reporting were submitted periodically to executive management.

As a standing item on the agenda of Audit Committee meetings in 2006, Trelleborg's CFO and the head of the Internal Control staff function continuously reported on their work regarding the internal control over the financial reporting.

The external information and communication is controlled in part by the company's Communication Policy, which describes Trelleborg's general principles for the release of information.

Monitoring

In addition to its regular operational and financial follow-ups, Trelleborg developed and implemented in 2006 a Groupwide reporting system for the status of internal control over the financial reporting. Using this reporting system, Trelleborg has monitored the compliance of the new special set of regulations with standards and minimum requirements for the internal control over the financial reporting that has been implemented in a number of prioritized risk areas through the self-assessments and reporting performed by the approximately 40 legal entities initially included in this implementation process.

According to plans, the frequency of the self-assessments of the legal entities will be supplemented with a formal, centrally

coordinated assessment process of these units in 2007.

Statement

Trelleborg established a new Internal Control staff function in 2005 that reports to the Group's CFO. As stated above, this function works proactively with further developing and improving the internal control through risk assessments, preparation of target scenarios and compiling a special set of regulations with standards and minimum requirements for the internal control over the financial reporting. The function also works with evaluating the level of internal control over the financial reporting based on follow-ups of self-assessments. Trelleborg's CFO and the Head of the Internal Control staff function report periodically on their work with the internal control over the financial reporting to the Audit Committee. The Board continuously evaluates whether the need exists for developing this function into a formal, separate internal audit function.

Trelleborg, February 12, 2007

The Board of Directors of Trelleborg AB