



Trelleborg interim report

April – June 2013

Peter Nilsson, President & CEO

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Agenda

Highlights

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Summary & Q3 2013 outlook

Q&A

Continuous improvements

Q2 2013 highlights

- Mixed sales development - flat on Group level due to currency. Organic sales grew by 2%
- Organic sales in Western Europe grew 1% while Asia Pacific was up 12%. China increased by 9%, while North America fell by 10%
- Good cost control and improved efficiency lift the results despite currency headwinds
- Benefiting from improved market positions
- All-time-high operating profit and margin (excluding one-offs)
- TrelleborgVibracoustic - continued good sales and profitability development

Organic growth initiatives and acquisitions

Recap of Q2 2013 events

- One bolt-on acquisition; buoyancy and insulation solutions used primarily in deep-sea environments and ROVs
- Successful participation in both Hannover Fair and Offshore Technology Conference in Houston – new innovations launched
- Decision by the General Court of the European Union regarding an old cartel case

Underlying EBIT and margin improve again

Group financial highlights¹

Net sales

- Organic sales up 2%
- Mixed segments and markets development

Earnings

- All-time-high EBIT and margin
- Good contribution from TrelleborgVibracoustic

Cash flow

- Well managed working capital
- Lower capex in the quarter

SEK M	Q2 2013	Q2 2012	Change, %
Net sales	5 628	5 612	0.3
Organic	2	-2	
Structural	4	1	
Exchange rate	-6	2	
Operating profit excl. items affecting comparability excl. part in TrelleborgVibracoustic	723	702	3.0
Operating margin, %	12.8	12.5	0.3pp
Items affecting comparability ²	-204	171	n.a.
Profit share in TrelleborgVibracoustic ³	97	-	n.a.
Operating profit	616	873	-29.4
Operating margin, %	10.9	15.6	-4.7pp
Operating cashflow	531	590	-10.0

²) Consists of one-off items of -155 SEK M (+203) and restructuring charges of -49 SEK M (-32).

³) TrelleborgVibracoustic is consolidated in Trelleborg according to the equity method as from July 2012.



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Still challenging market conditions

Trelleborg Coated Systems¹

- Organic sales: -6%
- Weaker in Europe while more stable in Americas
- Sales and EBIT hit by the weak Japanese Yen
- Profitability in line with last year due to improved efficiency and acquisition
- World's largest calendar machine now up and running

SEK M ^{1,2}	Q2 2013	Q2 2012	Change, %
Net sales	477	464	2.8
Organic, %	-6	-6	
Structural, %	14	-	
Exchange rate, %	-5	4	
Operating profit	52	53	-1.9
Operating margin, %	11.0	11.3	-0.3pp

Profitability continues to improve

Trelleborg Industrial Solutions¹

- Organic sales: +2%
- Most end-user segments and geographies on par with last year
- Strong earnings and margin development
- Better cost efficiency
- Better market positions
- Structural efforts continue

SEK M ^{1,2}	Q2 2013	Q2 2012	Change, %
Net sales	1 140	1 162	-1.9
Organic, %	2	-8	
Structural, %	0	2	
Exchange rate, %	-4	1	
Operating profit	110	76	44.7
Operating margin, %	9.6	6.6	3.0pp

Good performance and healthy demand

Trelleborg Offshore & Construction¹

- Organic sales: +9%
- Activity remains high in most market segments
- Strong earnings and margin development
- Better cost efficiency
- Bolt-on acquisition within deep-sea buoyancy segment
- Interesting business awards in the LNG segment

SEK M ^{1,2}	Q2 2013	Q2 2012	Change, %
Net sales	978	929	5.3
Organic, %	9	5	
Structural, %	3	-	
Exchange rate, %	-7	6	
Operating profit	81	67	20.9
Operating margin, %	8,2	7,1	1.1pp

Solid quarter despite currency headwind

Trelleborg Sealing Solutions¹

- Organic sales: -1%
- Most segments on par with last year
- Europe more stable, sales in N.A. hurt by inventory adjustments
- Profit impacted by adverse currency movements
- Second best margin so far - effective cost management
- Several innovative sealing solutions launched

SEK M ^{1,2}	Q2 2013	Q2 2012	Change, %
Net sales	1 833	1 944	-5.7
Organic, %	-1	-1	
Structural, %	0	0	
Exchange rate, %	-5	3	
Operating profit	416	464	-10.3
Operating margin, %	22.7	23.8	-1.1pp

Strong performance in mixed market conditions

Trelleborg Wheel Systems¹

- Organic sales: -1%
- Agriculture tires in line with last year
- Weaker demand for industrial tires, especially in Europe
- Earnings slightly higher, despite currency headwind
- Planned inventory adjustments at acquired companies impact results
- New Chinese entities develop well

SEK M ^{1,2}	Q2 2013	Q2 2012	Change, %
Net sales	1 111	1 052	5.6
Organic, %	-1	4	
Structural, %	13	-	
Exchange rate, %	-6	1	
Operating profit	137	133	3.0
Operating margin, %	12.4	12.6	-0.2pp



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Creating shareholder value

Global leader in automotive antivibration solutions

- Revenue and cost synergies
- Sustainable growth above market development
- Unrivalled global footprint - awards on back of global platform development
- EBIT-margin that exceeds industry average
- First operational years will be impacted by integration and costs of capturing synergies
- Synergy effects will be most evident in the second operational year and onwards

 TrelleborgVibracoustic



Good growth and stronger results

TrelleborgVibracoustic

- Organic sales: +7%, well ahead of global light vehicle production
- Good sales development in North America, China and Brazil
- Earnings and margin improved
- Synergy extraction continues
- Good working capital management

EUR M ^{1,2}	Q2 2013	Proforma ³ Q2 2012	Change, %
Net sales	445	411	8.3
Organic, %	7		
Structural, %	1		
Exchange rate, %	0		
Operating profit	31	27	14.8
Operating margin, %	6.9	6.5	0.4pp
Operating cash flow	55		

³ The proforma figures are based on a combination of previous consolidation of entities within Trelleborg Automotive and Vibracoustic

*Please visit TrelleborgVibracoustic's homepage: www.tbvc.com

Associated income bridge

TrelleborgVibracoustic

- Associated income of 97 MSEK (*after* financial net of -24 MSEK and -11 MSEK of non-recurring costs)
- Associated income of 132 MSEK (*before* financial net and non-recurring costs)
- In Q2 2012, Trelleborg AVS (now part of JV) contributed with 108 MSEK (*before* financial net and non-recurring costs)

SEK M	Q2 2013	Q2 2012 ²	Change, %
Operating profit excl items affecting comparability	263	-	-
Acquisition related costs	-13	-	-
Amortization of intangible assets ¹	-9	-	-
Restructuring items	0	-	-
Operating profit	241	-	-
Profit before tax	194	-	-
Trelleborg's share (50%)	97	-	-

1) Related to split of acquisition balance

2) TrelleborgVibracoustic was formed in July 2012

*Please visit TrelleborgVibracoustic's homepage: www.tbvc.com



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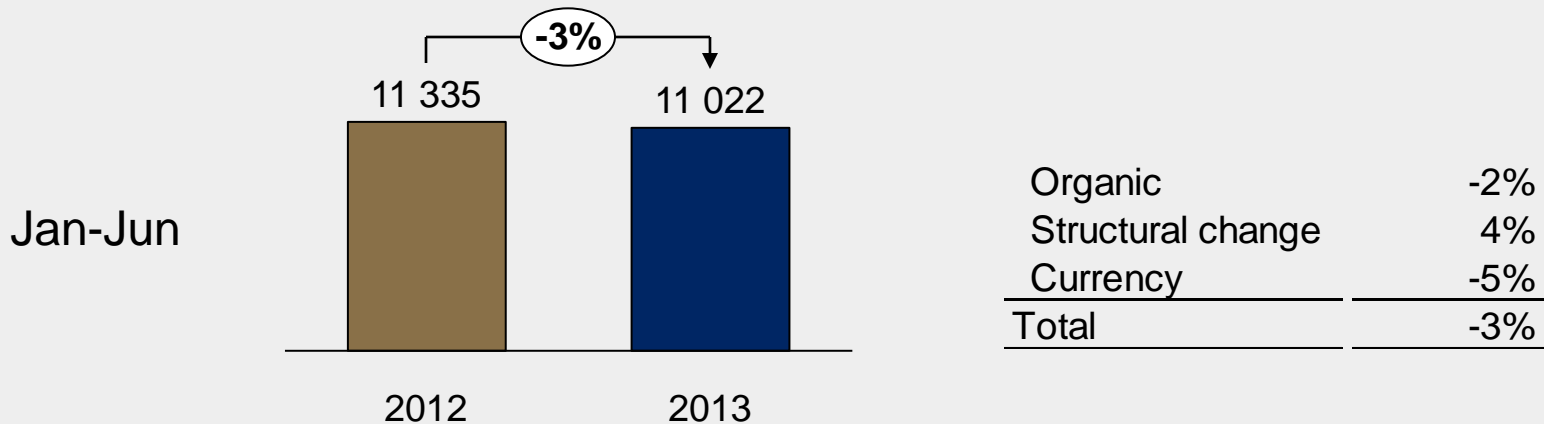
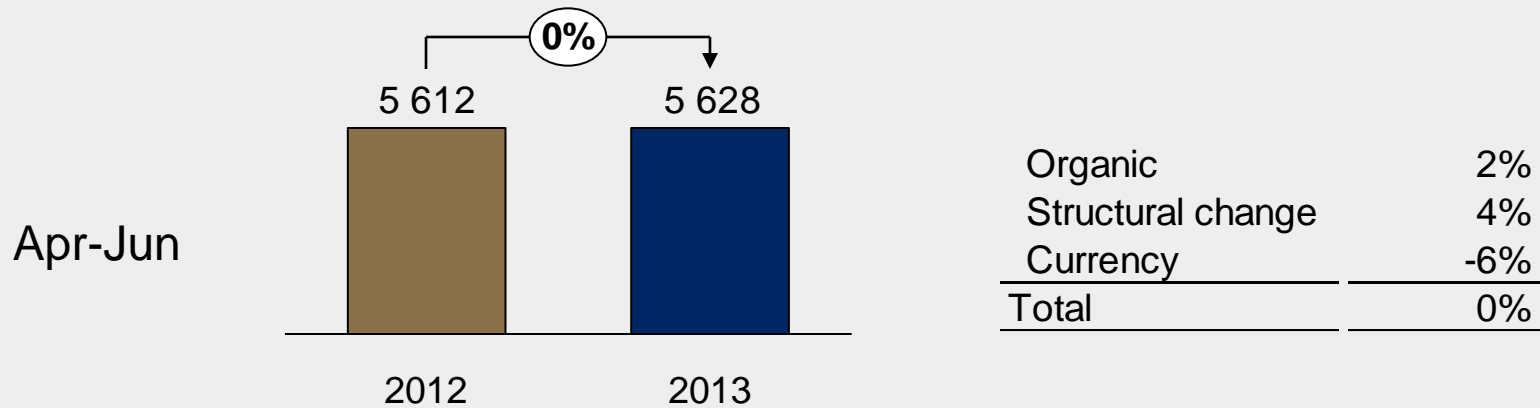
Financials

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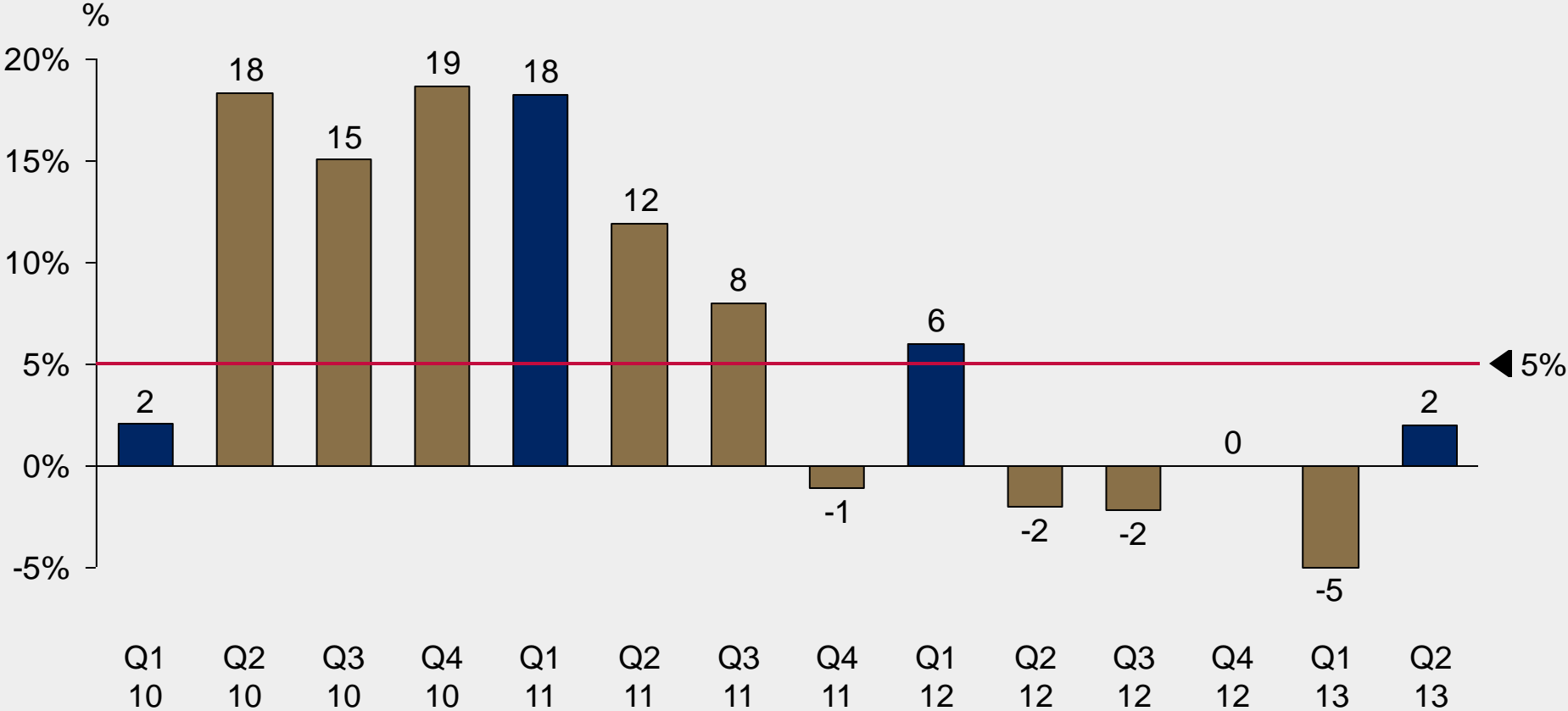
Solid quarter despite currency headwind

Sales development



Organic growth target: $\geq 5\%$ average

Organic sales development



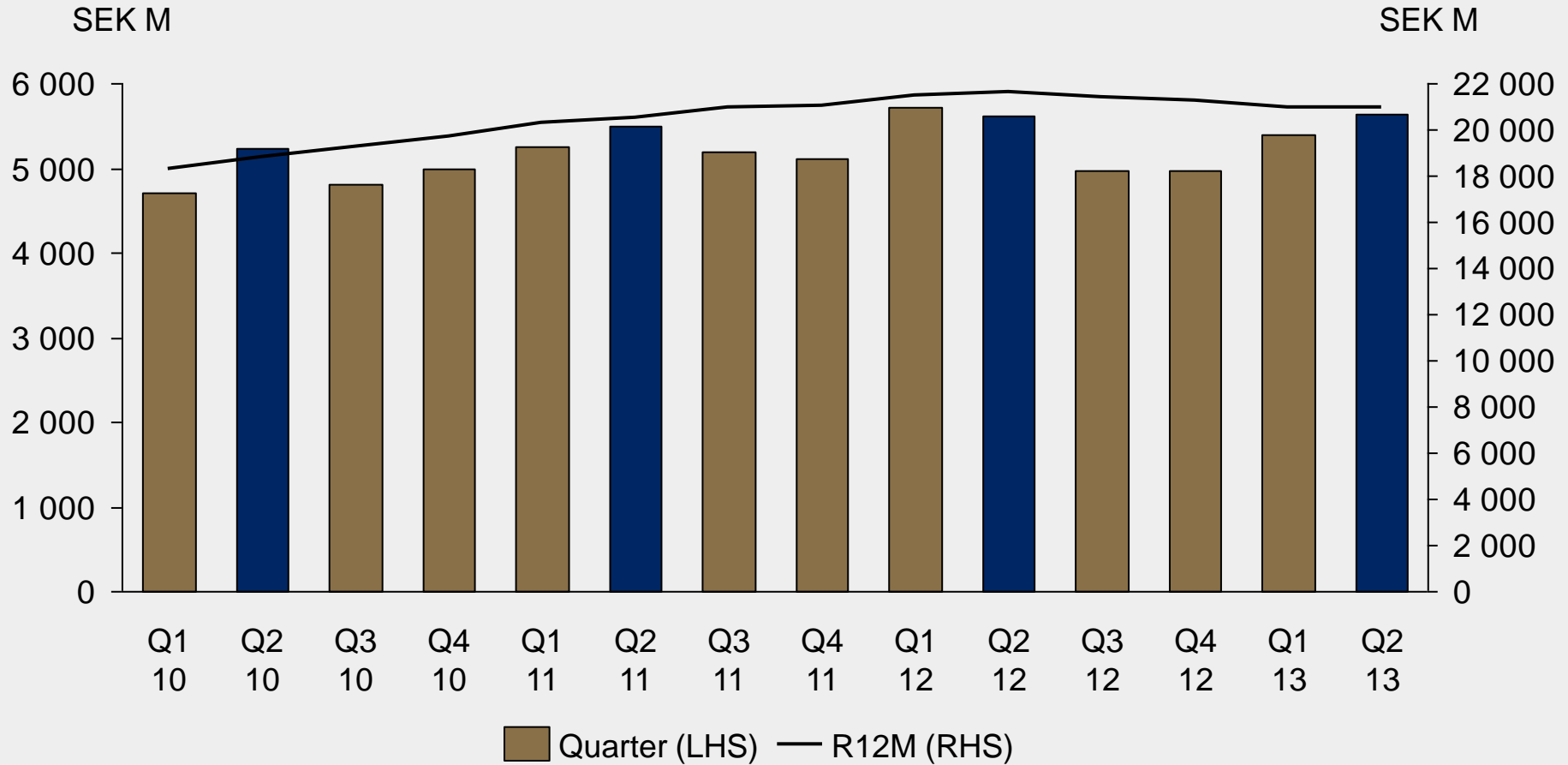
Sales better than underlying markets

Sales per business area

2013	Apr-Jun		Organic %	SEK M	2013	Jan-Jun		Organic %
	2012	Change %				2012	Change %	
477	464	3	-6	Trelleborg Coated Systems	940	933	1	-6
1 140	1 162	-2	2	Trelleborg Industrial Solutions	2 234	2 364	-6	-2
978	929	5	9	Trelleborg Offshore & Construction	1 834	1 828	0	2
1 833	1 944	-6	-1	Trelleborg Sealing Solutions	3 583	3 917	-9	-4
1 111	1 052	6	-1	Trelleborg Wheel Systems	2 220	2 180	2	-4
246	290			Others	517	599		
-157	-229			Eliminations	-306	-486		
5 628	5 612	0	2	Continuing operations	11 022	11 335	-3	-2

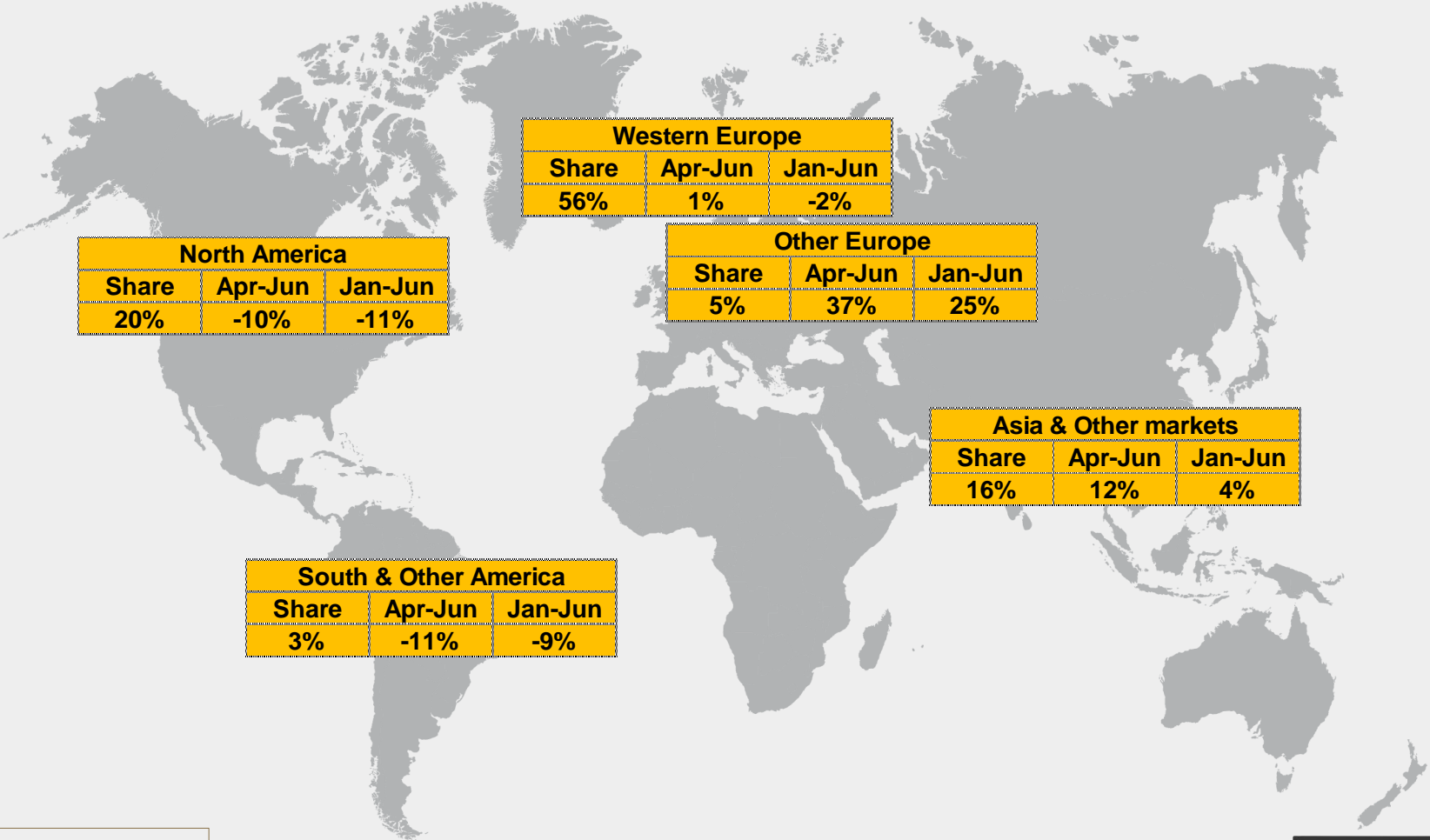
Slight sales growth

Sales development, R12M



Parts of Europe show recovery

Organic sales by geographic markets

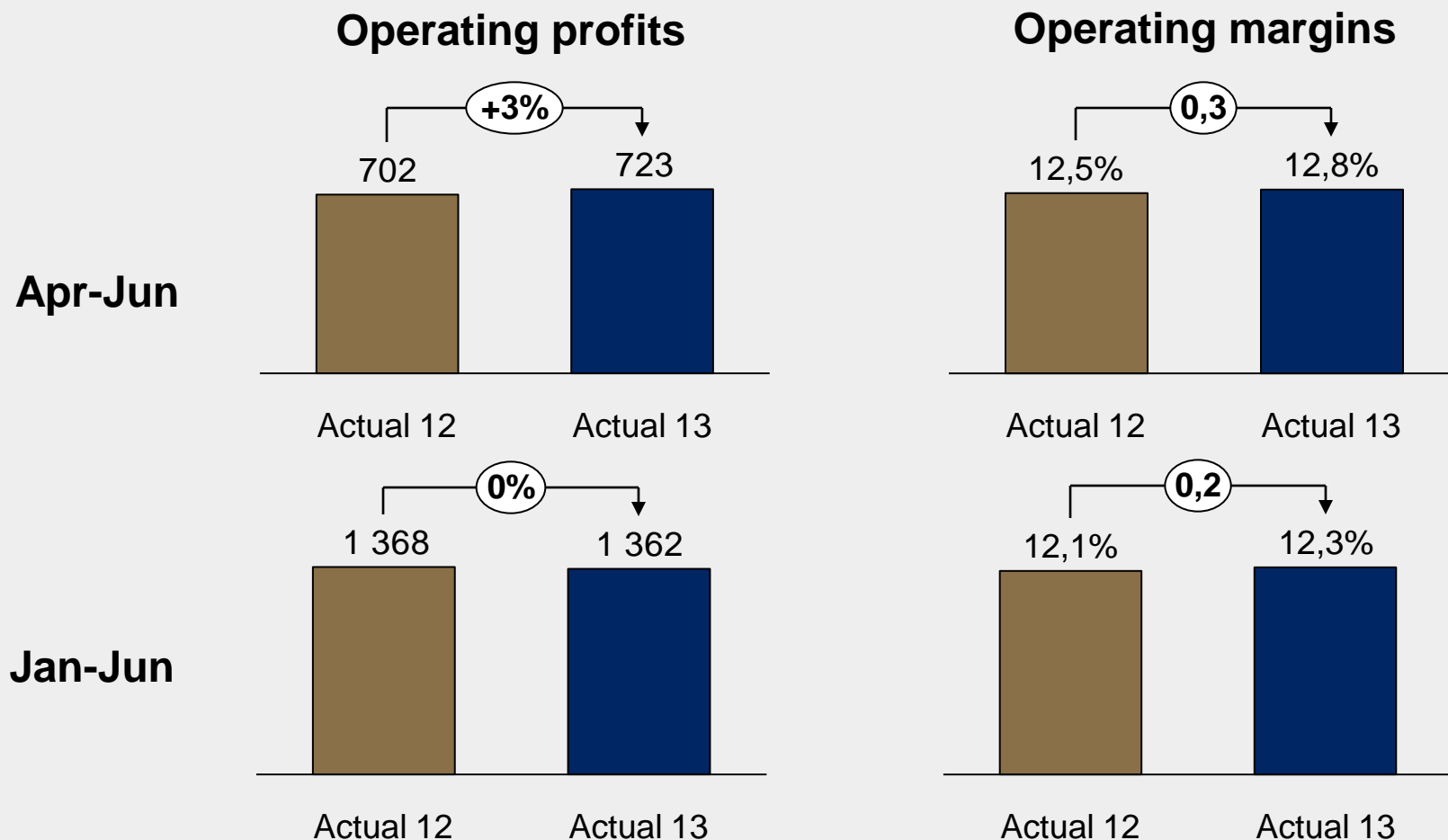


Share = Act 2012



All-time-high operating margin

Operating profit development¹



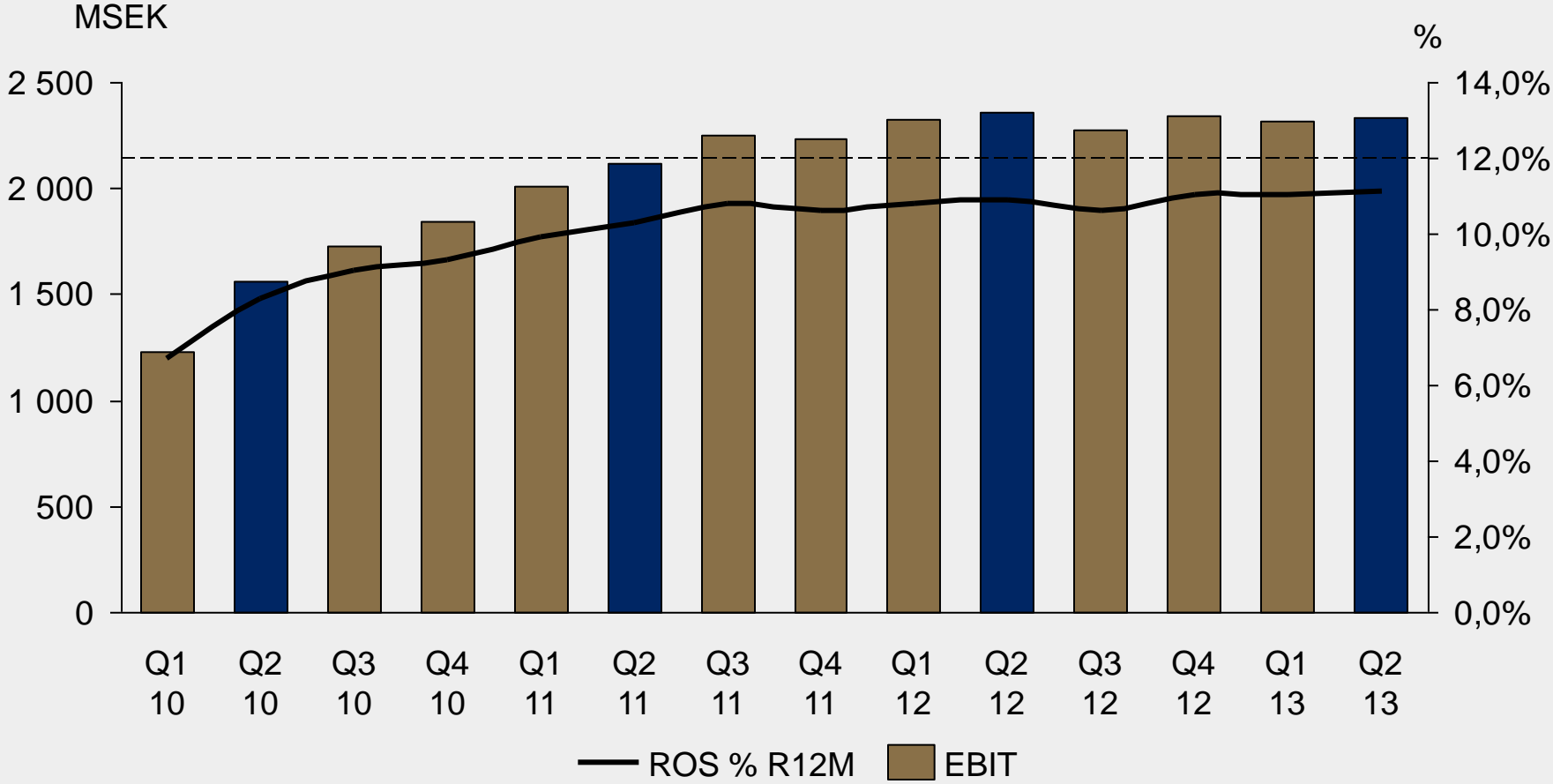
Trelleborg Industrial Solutions keeps improving

Group operating profit per business area¹

Apr-Jun			SEK M	Jan-Jun		
2013	2012	Change		2013	2012	Change
52	53	-2%	Trelleborg Coated Systems	112	110	2%
110	76	45%	Trelleborg Industrial Solutions	206	165	25%
81	67	21%	Trelleborg Offshore & Construction	128	114	12%
416	464	-10%	Trelleborg Sealing Solutions	768	893	-14%
137	133	3%	Trelleborg Wheel Systems	281	289	-3%
-73	-91		Others	-133	-203	
723	702	3%	Continuing operations	1 362	1 368	0%

Overall EBIT-margin target of 12%

EBIT and margin, R12M¹



1) Excluding items affecting comparability & TrelleborgVibracoustic



Total Group - including discontinued business

Profit & Loss statement

Apr-Jun			SEK M	Jan-Jun		
2013	2012	Change		2013	2012	Change
723	702	3%	Operating profit, Continuing operations	1 362	1 368	0%
12,8%	12,5%	0,3pp	Operating margin	12,3%	12,1%	0,2pp
-49	-32		Restructuring costs	-86	-51	
-155	203		One-off items	-155	203	
-204	171		Items affecting comparability	-241	152	
97	-		Associated income from TrelleborgVibracoustic	207	-	
616	873	-29%	Operating profit, Continuing operations	1 328	1 520	-13%
10,9%	15,6%	-4,7pp	Operating margin	12,0%	13,4%	-1,4pp
0	242		Operating profit, Discontinued operations	0	339	
616	1 115		Operating profit, Group total	1 328	1 859	
-32	-59		Financial income and expenses	-74	-114	
584	1 056		Profit before tax	1 254	1 745	
-199	-155		Tax, Group total	-378	-343	
385	901		Net profit, Group total	876	1 402	

Operating profit bridge

Year-on-year comparison

	Operating profit, Continuing operations	Restructuring costs	One-off items	= Items affecting comparability	Associated income from Trelleborg-Vibracoustic	Operating profit, Continuing operations	Operating profit, Discontinued operations incl. one-offs	Operating profit, Group total
Q2 13	723	-49	-155	-204	97	616	0	616
Q2 12	702	-32	203	171	0	873	242	1 115

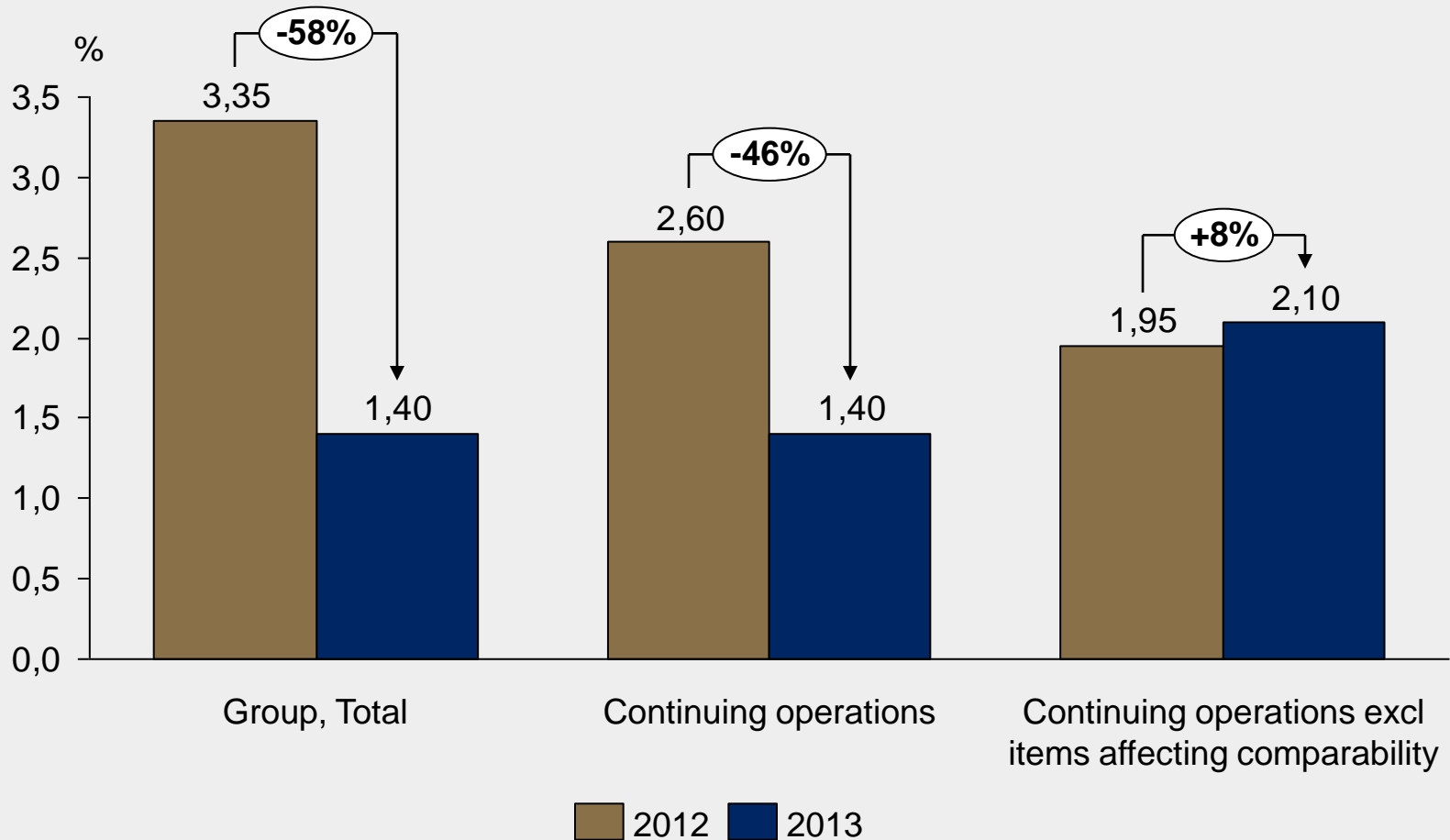
TrelleborgVibracoustic

Impact on Trelleborg's accounts

SEK M	Apr-Jun 2013	Jan-Jun 2013
Operating profit excl. items affecting comparability	263	501
Acquisition related costs	-13	-18
Amortization on intangible assets	-9	-19
Restructuring costs	0	-7
Operating profit	241	457
Financial net	-47	-43
Profit before tax	194	414
<i>Trelleborg share</i>	97	207
Tax	-67	-126
<i>Trelleborg share</i>	-34	-63
Net profit	126	288
<i>Trelleborg share (net impact)</i>	63	144

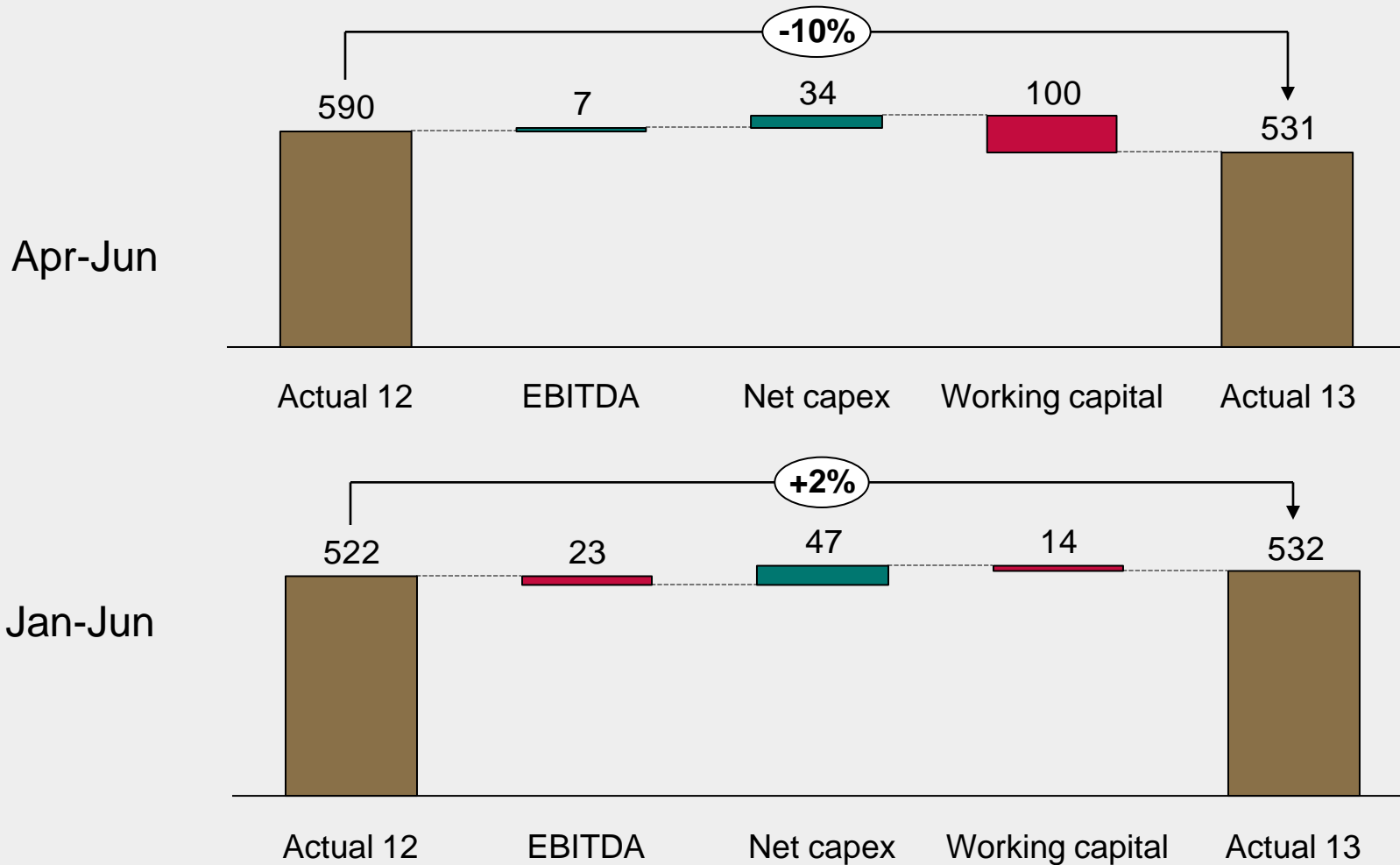
Underlying EPS increased by 8 percent

Earnings per share – second quarter



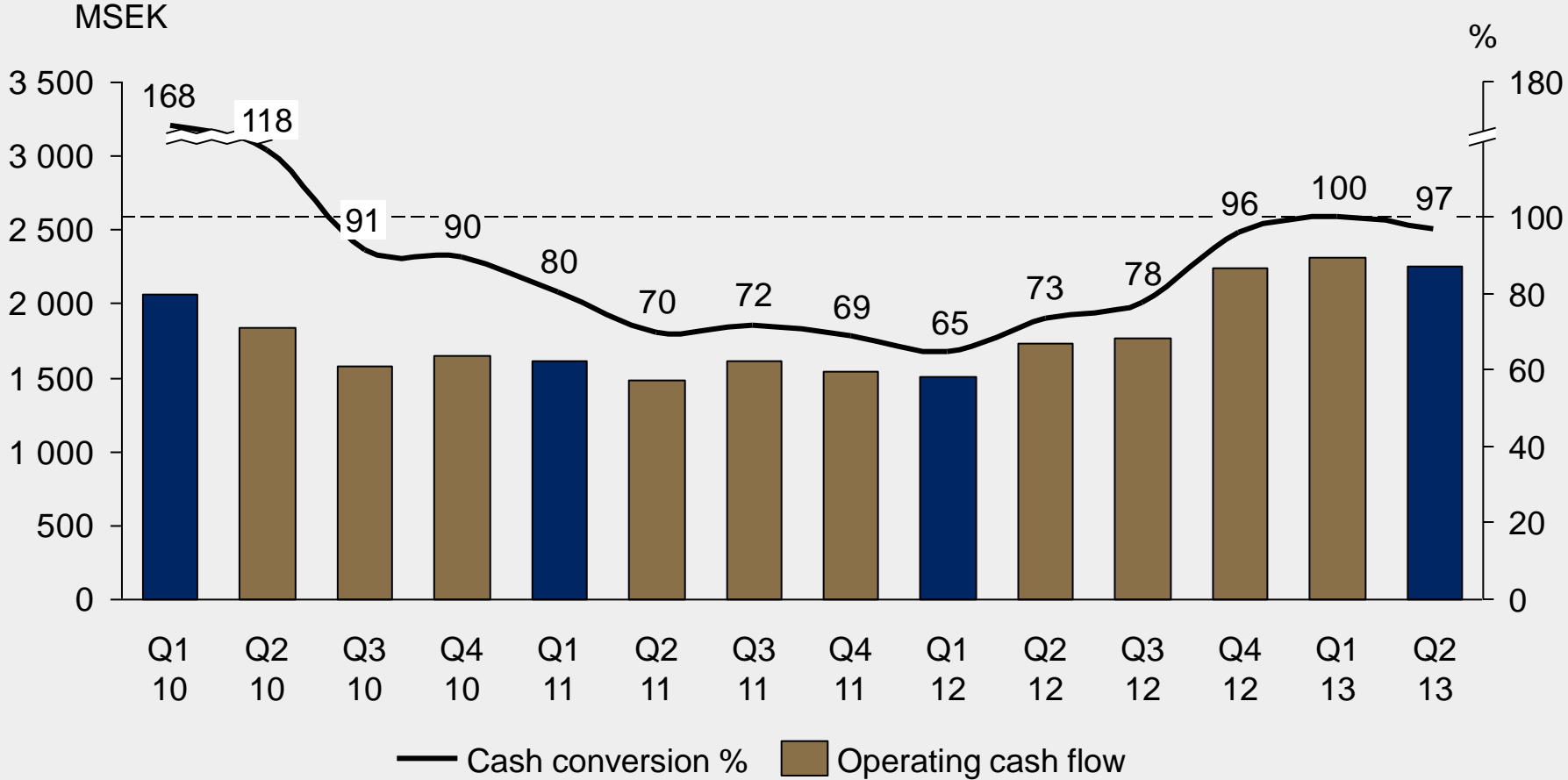
Solid working capital management

Operating cash flow¹



Solid cash conversion

Operating cash flow, R12M¹

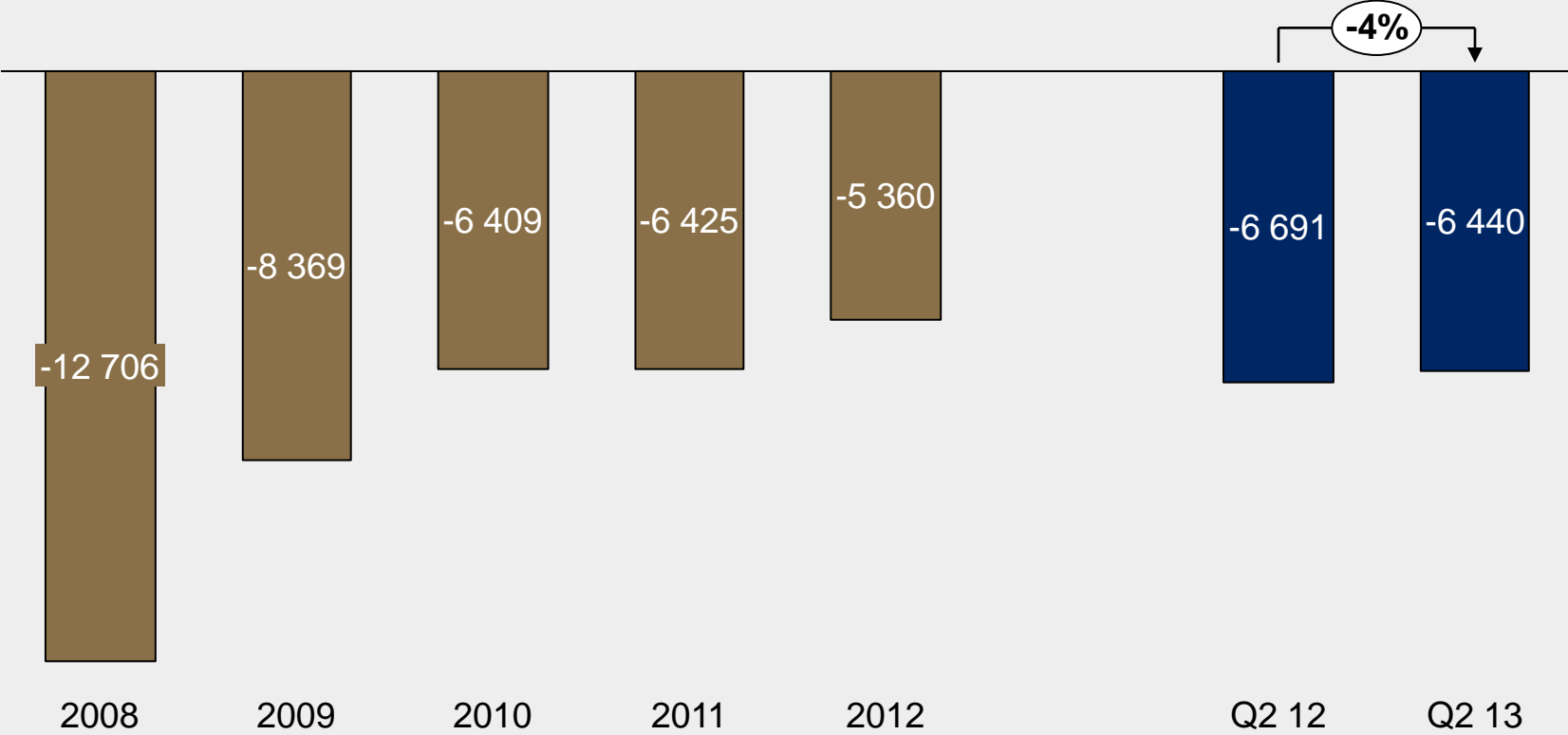


1) Excluding items affecting comparability & TrelleborgVibracoustic



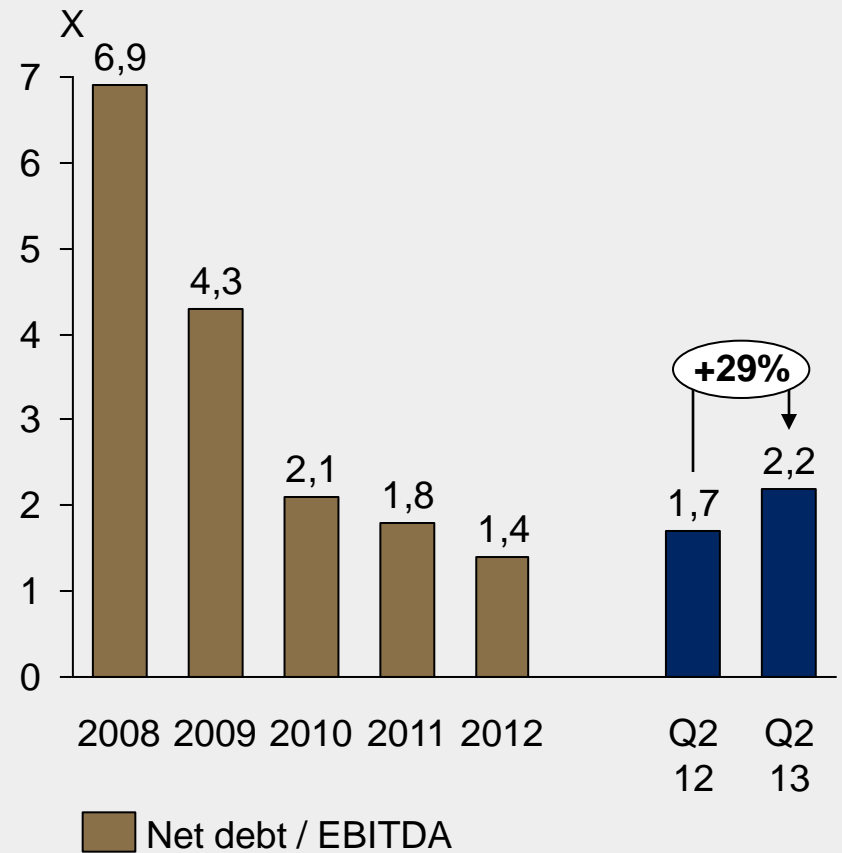
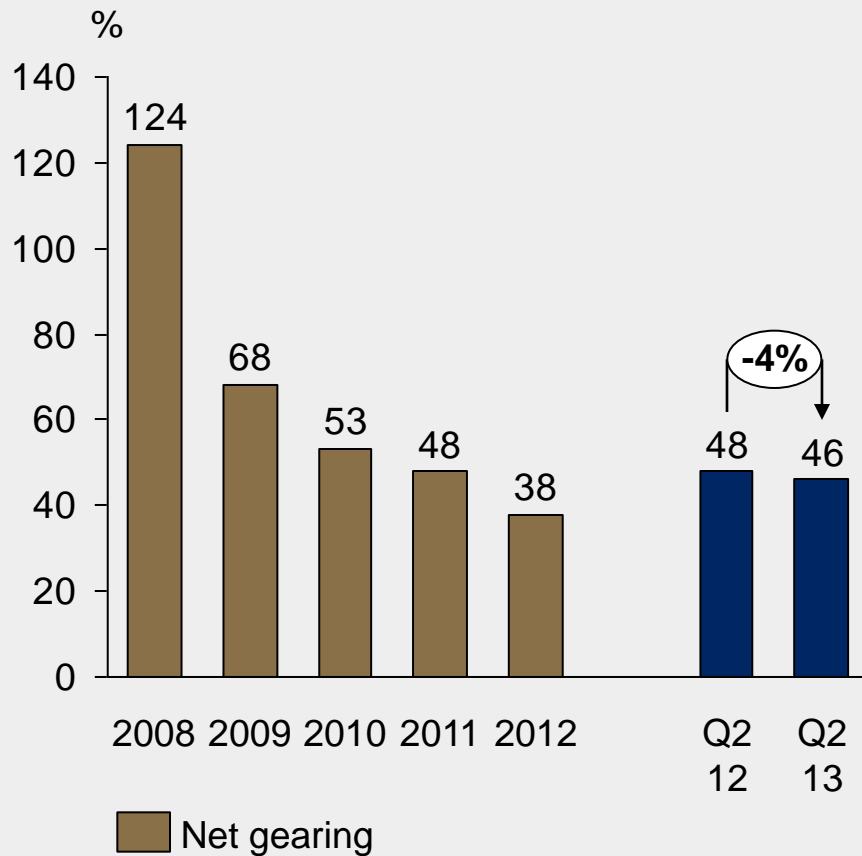
Solid capital structure

Net debt development¹



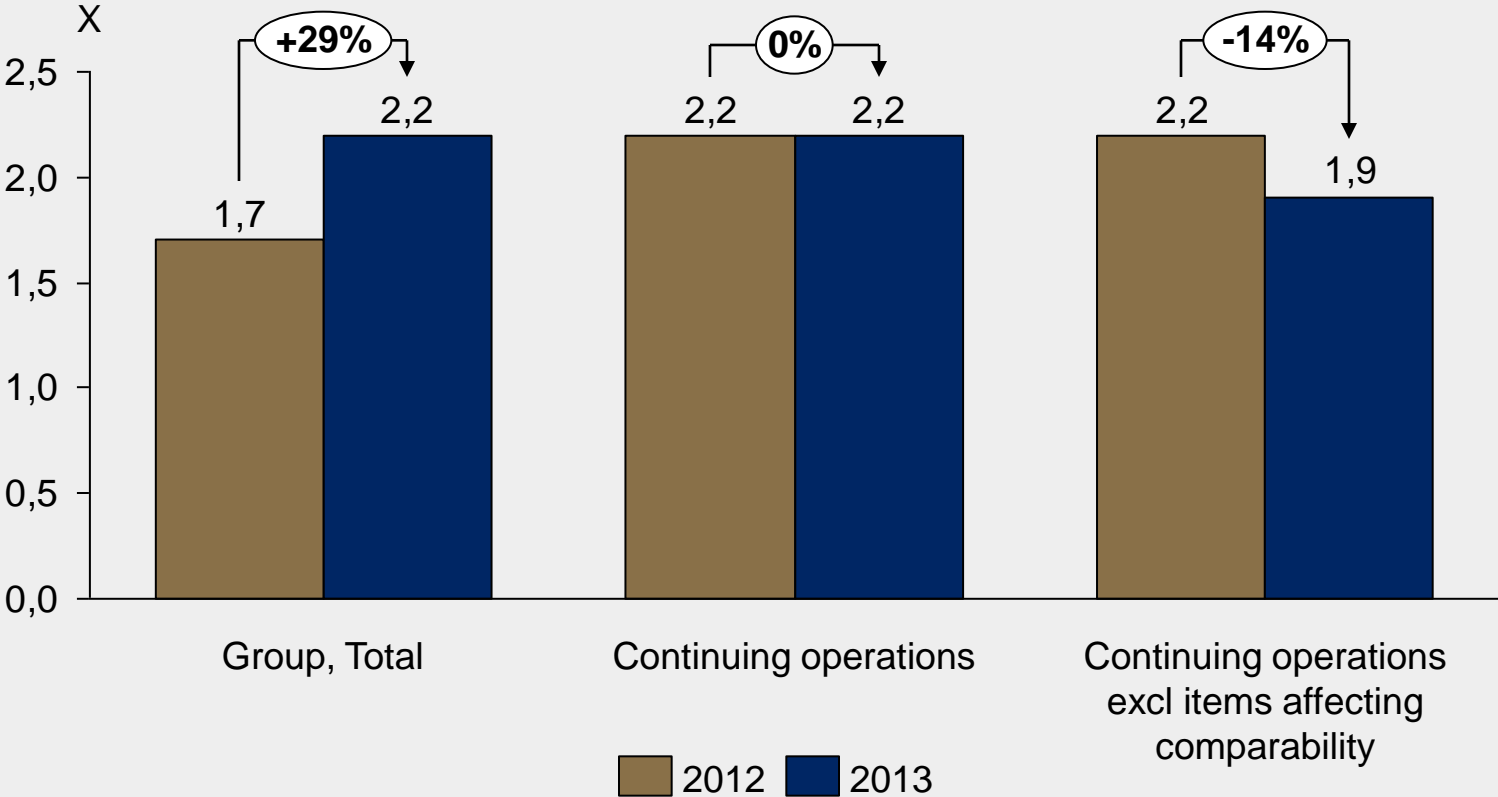
Solid capital structure

Net debt / EBITDA and net gearing development¹



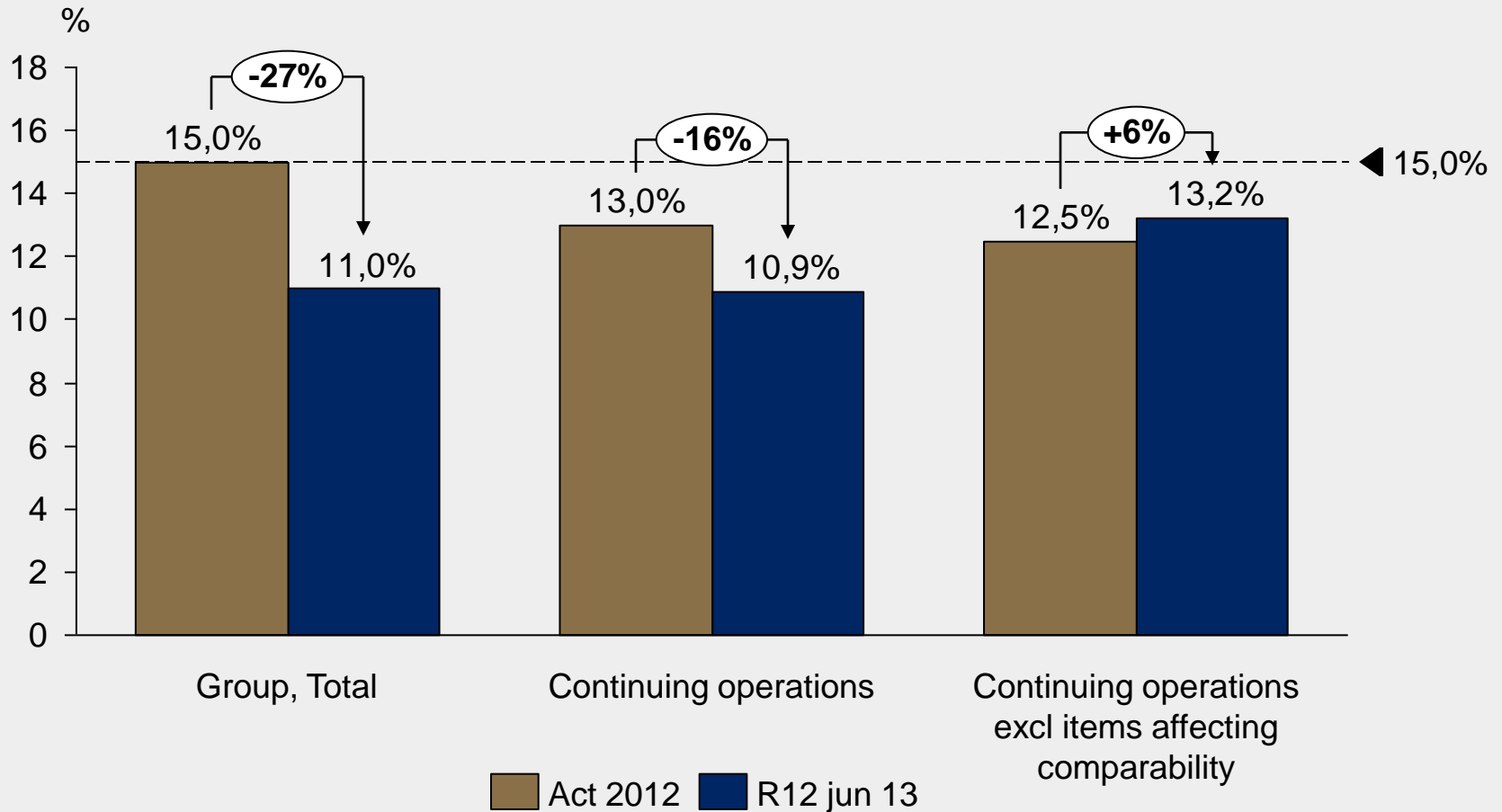
Ratio for continuing operations still improving

Net debt / EBITDA



Long-term ROE target of 15%

Return On Equity, R12M





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- Mixed sales development - flat on Group level due to currency. Organic sales grew by 2%
- Organic sales in Western Europe grew 1% while Asia Pacific was up 12%. China increased by 9%, while North America fell by 10%
- Good cost control and improved efficiency lift the results despite currency headwinds
- Benefiting from improved market positions
- All-time-high operating profit and margin (excluding one-offs)
- TrelleborgVibracoustic - continued good sales and profitability development

Continued focus on growth and excellence

2013 priorities

- Manage uncertain market conditions
- Continued focus on profitable growth, selected segments and geographies
- Manage margin development through operational excellence
- Continued portfolio management to improve leading positions
- TrelleborgVibracoustic

Outlook Q3 2013

- Demand in the third quarter is expected to be in line with the second quarter of 2013, adjusted for seasonal variations



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Forward-looking statements

This presentation 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 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