

Positive sales trend in the first quarter

“Continued favorable growth, focus on attractive segments with higher margins and implementation of the decided action program are a priority,” says CEO Peter Nilsson.

- The order and delivery scenario remained good in the first quarter and growth was favorable, with the organic growth totaling 10 percent.
- Three out of four business areas increased both operating profit and operating margins as a result of the continued successful focus on more profitable segments.
- The work with Trelleborg Automotive’s strategic and operational review continues. During the quarter, this resulted in decisions concerning the closure of two plant facilities in the US and UK, respectively.
- A decision was made relating to investments in the US and China to satisfy growing demands within the oil/gas and infrastructure segments.

Group key ratios

Net sales increased during the first quarter to SEK 7,776 M (6,995).

	<i>First quarter</i>
Net profit	SEK 222 M (300)
Of which, restructuring, impairment losses and nonrecurring revenues, net	SEK -133 M (-15)

Earnings per share for the first quarter amounted to SEK 2.45 (3.30).

Operating key ratios

Continuing operations, excl. restructuring costs, impairment losses and nonrecurring revenues:

	<i>First quarter</i>
Operating profit	SEK 608 M (468)
Profit before tax	SEK 511 M (400)
Net profit	SEK 355 M (280)
Earnings per share	SEK 3.90 (3.05)

Outlook for the first six months of 2007

The outlook for the first six months of 2007 remains unchanged. 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.

Key Ratios, Group				
SEK M	Jan-March		April 2006 -	Full year
Key ratios	2007	2006	March 2007	2006
Net sales	7 776	6 995	28 065	27 284
Operating profit	445	473	1 479	1 507
Profit before tax	348	404	1 137	1 193
Profit for the period	222	300	688	766
- attributable to minority interest	1	4	12	15
- attributable to equity holders of the parent	221	296	676	751
Earnings per share, SEK ¹⁾	2,45	3,30	7,45	8,30
Free cash flow	-234	-239	923	918
Free cash flow per share, SEK ²⁾	-2,60	-2,65	10,20	10,15
Net debt	9 841	8 720	9 841	9 350
Debt/equity ratio, %	97	84	97	96
Return on shareholders' equity, %	9,0	11,7	6,7	7,6
Operating key ratios				
<i>Continuing operations excluding restructuring costs and impairment losses</i>				
Net sales	7 776	6 807	28 010	27 041
Operating profit	608	468	1 955	1 815
Profit before tax	511	400	1 613	1 502
Profit for the period	355	280	1 142	1 067
Earnings per share, SEK ¹⁾	3,90	3,05	12,50	11,65
EBITDA, %	10,7	10,1	10,2	10,0
Operating margin (ROS), %	7,8	6,7	6,9	6,6
Return on capital employed (ROA), %	12,4	10,3	10,4	9,8
Return on shareholders' equity, %	14,4	10,9	11,2	10,7
Operating cash flow	-3	-109	1 713	1 607
Operating cash flow/Operating profit, %	0	-23	88	89
Operating cash flow per share, SEK ³⁾	-0,05	-1,20	18,95	17,80
Net debt/EBITDA, multiple			3,4	3,4
EBITDA/Financial income and expenses, multiple			8,4	8,7

1) Profit for the period attributable to equity holders of the parent divided by the average number of shares outstanding

2) Net cash flow excluding acquisitions and disposals after tax and cash flow related to shareholders

3) Operating cash flow related to the average number of shares outstanding

Group

January-March 2007

Net sales

During the first quarter of 2007, the Trelleborg Group's net sales amounted to SEK 7,776 M (6,995), an increase of 11 percent. Organic growth was 10 percent. The sales increase in comparable currencies amounted to 15 percent.

Operating profit

Operating profit for the Group amounted to SEK 445 M (473). Profit before tax totaled SEK 348 M (404). Net profit was SEK 222 M (300).

Earnings per share

Earnings per share totaled SEK 2.45 (3.30). Operating profit was negatively impacted by restructuring costs and impairment losses totaling SEK 189 M before tax. The restructuring costs and impairment losses are derived from the action program within the Automotive and Wheel Systems business areas (see page 5). A capital gain from the sale of a property in Hammarbyhamnen, Stockholm, had a positive impact of SEK 26 M. The combined effect of the action program and nonrecurring revenue was charged to operating profit in the first quarter in the amount of SEK 163 M before tax and SEK 133 M after tax.

Operating ratios

For continuing operations, excluding restructuring costs, impairment losses and nonrecurring revenues, operating profit amounted to SEK 608 M (468). Exchange-rate fluctuations in the translation of foreign Group companies' earnings had a negative impact of about SEK 20 M on the operating profit for the quarter, compared with the year-earlier period.

The Group's profit before tax, excluding restructuring costs and impairment losses, totaled SEK 511 M (400), and net profit amounted to SEK 355 M (280). Earnings per share amounted to SEK 3.90 (3.05). The Group's operating margin amounted to 7.8 percent (6.7). The EBITDA margin amounted to 10.7 percent (10.1).

Excluding the Automotive business area, operating profit increased during the first quarter by 51 percent and the operating margin rose to 10.8 percent (8.2) compared with the first quarter of 2006. The EBITDA margin increased to 13,5 (11,4). The increase is a result of the successful focusing of operations, positive effects from completed acquisitions, efficiency enhancement of operations and continued favorable market conditions within such segments as the aerospace industry, oil/gas, infrastructure/ construction and general industry.

**Balance sheet,
Cash flow,
Investments**

Consolidated operating cash flow for the first quarter improved compared with the year-earlier period and amounted to a negative SEK 3 M (neg: 109) owing to the strong operating cash flow mainly from Trelleborg Engineered Systems. At the end of the quarter, consolidated capital employed was SEK 19,759 M (18,334). The increase was primarily attributable to acquisitions. The Group's free cash flow for the quarter was negative in the amount of SEK 234 M (neg: 239). Net financial debt amounted to SEK 9,841 M (8,720). At the end of the quarter, the debt-equity ratio amounted to 97 percent (84). The equity-assets ratio was 35 percent (39). At the end of the period, shareholders' equity per share (net 90.4 million outstanding) amounted to SEK 111 (113). Return on capital employed amounted to 12.4 percent (10.3).

Other

- Organizational change** Effective year-end 2006, an organizational change was implemented, which entailed the merger of the Trelleborg Building Systems business area into the Trelleborg Engineered Systems business area. Trelleborg Building systems will now be included as a part of this business area.
- Competition matters relating to US subsidiary** Since August 2005, the US Justice Department has conducted an investigation into competition conditions in the US during the period 2000-2005 for certain types of marine fender systems. The investigation relates to certain market conditions in the US and encompasses several companies in the US, including manufacturers, distributors and agents, and involves one of Trelleborg's subsidiaries. The business that is the subject of the investigation represents a very small part of the Group's operations in the US. Discussions are in progress with the authorities concerned and it has been deemed probable that a settlement will be made, possibly as soon as sometime during the first six months of 2007. For the Group in its entirety, the final projected costs are expected to only have a limited impact. No provisions have been made to date to cover these costs.
- Property sale** In January 2007, Trelleborg entered into an agreement with Skanska concerning the sale of land in Södra Hammarbyhamnen in Stockholm, Sweden. The purchase price amounted to SEK 330 M based on the estimated development rate. At transfer, a payment of SEK 100 M will be made and when detailed development plans gain legal approval, an additional purchase payment will be made, which will vary depending on the development level. The transfer payment resulted in a capital gain of SEK 26 M before tax. This was recorded as nonrecurring revenue in the first quarter of 2007.
- Acquisitions** *The Trelleborg Group continues to make acquisitions in line with the Group's strategy of growing within attractive segments with favorable growth and profitability potential, and where the three primary customer needs of **sealing**, **damping** and **protecting** have a principal role. During the first quarter, the Group completed the acquisition of two companies.*
In January, Trelleborg Engineered Systems completed the acquisition of **Epros GmbH** and **Epros International Ltd.**, with approximately 30 employees, annual sales of about SEK 90 M and plants in Duisburg, Germany, and in St Albans, in the UK. Epros is a niche leader in the aftermarket for pipe systems, specialized in trenchless repairs. The acquisition of the Swedish company **Gummiteknik GTM AB**, with approximately 30 employees and annual sales of about SEK 36 M, was concluded in March. Gummiteknik is a producer of advanced rubber components in short and medium series for the engineering and construction industries, among others. After the end of the quarter, an agreement was also signed relating to the acquisition of the remaining shares (75 percent) in **Ou Saare Martex** in Estonia.
- Financial impact of action program** At the Trelleborg capital markets day in November 2006, an action program for the Automotive, Wheel Systems and Engineered Systems business areas was announced. The action program within Automotive involves both a strategic and operational review and aims to improve profitability and the

business area's strategic position. For the Wheel Systems business area, the decision was announced to consolidate industrial tire manufacturing to Sri Lanka, with the resulting closure of the plant in Hartville, in the US. The action program within Engineered Systems pertains to a relocation of production from Ystad, in Sweden, to Lithuania, which enables continued profitable growth within the area of protective products.

The costs of the total action program, initiated in November, for the Automotive business area are estimated to amount to approximately SEK 875 M before tax and about SEK 700 M after tax. The positive earnings effect is estimated at about SEK 175 M before tax and SEK 115 M after tax at full impact annually. The positive earnings effect of the program is expected to be marginal for 2007.

The portion of the action program charged against 2006 earnings attributable to the Automotive business area comprised the closure of the plant in Trowbridge, in the UK, in addition to personnel reductions and structural changes within European operations, including at a plant in Mannheim, Germany, and the relocation of resources from Western to Eastern Europe.

In February 2007, it was announced that a further plant would be closed in West Thurrock, in the UK, within the framework of the program. The operation in West Thurrock is included in the Fluid & Acoustic Solutions business unit and manufacturers polymer automotive components, such as sound-absorbing components. About 170 people are employed at the plant. The bulk of production is expected to be transferred to the business unit's other plants in Europe.

Production in West Thurrock is expected to continue until year-end 2007 and costs related to the closure of the plant were charged to first-quarter earnings in the amount of SEK 141 M, most of which will affect cash and bank balances during 2007-2009. The positive earnings effect is estimated to amount to about SEK 45 M before tax on a yearly basis, with full impact from 2008.

Other costs of SEK 47 M charged against first-quarter earnings within Automotive's action program include an activation cost for a shared-service concept in Europe and impairment of goodwill resulting from measures taken. Furthermore, Dawson Manufacturing Company, which is 45-percent owned by Trelleborg, resolved to close a plant in Dawson, in the US, and transfer production to the company's unit in Benton Harbor, in the US. Plans are in place to gradually transfer production in Dawson, where there are some 100 employees, during 2007.

Impact from action program SEK M	Costs	Costs	Estimated	Estimated
	2006	Jan - March 2007	costs, full program	yearly savings*
Trelleborg Automotive	280	188	875	175
Trelleborg Wheel Systems	21	1	30	35
Trelleborg Engineered Systems	36	-	36	20
<i>Total before tax</i>	337	189	941	230
- whereof cash flow	99	15	460	-
<i>Total after tax</i>	304	142	755	150

*after full completion

Parent Company

Loss before tax in Trelleborg AB, the Parent Company of the Trelleborg Group, amounted to SEK 99 M (loss: 156) for the period January-March. No sales were made. Investments amounted to SEK 9 M (1).

Outlook for first six months of 2007

The outlook for the first six months of 2007 remains unchanged. 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.

Outlook from the year-end report on February 13, 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.*

Trelleborg, April 25, 2007
Peter Nilsson, President and CEO

This report was prepared in accordance with IAS 34 Interim Financial Reporting. Effective January 1, 2006, Trelleborg AB applies the following changes established by the IASB and approved by the European Commission:

IAS 1 – Presentation of financial statements

IFRS 7 – Financial instruments

These entail no impact on the company's earnings or position

In other respects, the same accounting policies and valuation methods are used as those described in the most recent Annual Report. This report is unaudited by the Group's auditors.

Trelleborg Engineered Systems

SEK M	Jan-March		April 2006 -	Full year
	2007	2006	March 2007	2006
<i>excluding restructuring costs and impairment losses</i>				
Net sales	2 896	2 057	10 149	9 310
Operating profit	276	148	933	805
Operating margin (ROS), %	9,5	7,1	9,1	8,6
Operating cash flow	110	-21	946	815
Operating cash flow/Operating profit, %	40	neg	101	101
<i>including restructuring costs and impairment losses</i>				
Operating profit	276	125	920	769
ROS, %	9,5	6,0	9,0	8,2

Additional key ratios on pages 15 - 16

As of the end of 2006, the former Building Systems business area is included as part of Engineered Systems (see page 4).

Continued favorable demand within such segments as infrastructure, oil/gas and construction

The market trend in the business area's principal markets remained good during the first quarter. The market for project-related products within infrastructure and offshore was highly favorable. In pace with the development of new oil and gas fields and the introduction of new technology, the strong demand for products used in oil and gas extraction continued. In construction, the Scandinavian market continued to perform well.

Increased sales

Sales for the first quarter increased compared with the year-earlier period. The increase is related to growth within all prioritized market segments and completed acquisitions. The organic growth amounted to 16 percent.

Favorable order intake, decision concerning investments in the US and China

The order and delivery scenario was favorable during the quarter and, among other product areas, Waterproofing enjoyed a particularly strong sales increase on account of good weather and a high level of construction activity in Sweden. The favorable order intake for products intended for the oil/gas industry continued and a decision had already been made concerning the expansion of capacity in France, Norway and the UK. A segment that is growing particularly strongly is Drill Risers Buoyancies, buoyancy aids for drilling rigs in deep-sea areas, for which a decision has also been taken concerning investments in Houston, in the US, to satisfy the high level of demand. The business area is also following its customers' expansion and is establishing a unit in China for the production of polymer components targeted at industrial electronics. In addition, a decision has been taken concerning the establishment of a unit in China for the production of fenders and dredging hoses.

Two acquisitions concluded

Two small acquisitions were concluded during the quarter in the form of **Epros International** and **Gummiteknik GTM AB** (see page 4). After the end of the quarter, an agreement was also signed relating to the acquisition of the remaining shares (75 percent) in **Ou Saare Martex** in Estonia. The integration of Reeves, which was acquired in the autumn of 2006, was initiated with the institution of a new global organization and the focusing of production units. Reeves made a highly positive contribution to sales and earnings during the first quarter.

Operating profit up by 86 percent

Operating profit increased by 86 percent, compared with 2006, as a result of the positive demand in several segments, the continued focus of the operation and completed acquisitions. The business area's cash flow remained at an excellent level.

Trelleborg Automotive

SEK M	Jan-March 2007	2006	April 2006 - March 2007	Full year 2006
<i>excluding restructuring costs and impairment losses</i>				
Net sales	2 656	2 556	9 593	9 493
Operating profit	56	103	167	214
Operating margin (ROS), %	2,0	3,7	1,7	2,1
Operating cash flow	-70	-26	101	145
Operating cash flow/Operating profit, %	neg	neg	60	68
<i>including restructuring costs and impairment losses</i>				
Operating profit	-132	103	-301	-66
ROS, %	-5,1	3,7	-3,2	-0,9

Additional key ratios on pages 15 - 16

Car production increased in Europe, decreased in North America

During the first quarter, car production in North America declined by approximately 7.5 percent compared with the year-earlier period. In Europe, production increased by 3 percent, driven strongly by increased Eastern European production (+19 percent). During the quarter, production in Asia grew by nearly 3 percent. *(Source: JD Powers/Trelleborg).*

Increased sales

Sales increased during the first three months of the year, expressed as organic growth, by 8 percent compared with the corresponding period in 2006. The business area had good growth within antivibration components, particularly in Europe. Among other activities, production commenced of a large number of products for the Logan platform for Renault/Dacia during the quarter. Sales of sound-damping laminate were good. Fluid & Acoustic Solutions also increased sales during the quarter. The increased presence in emerging markets is now beginning to yield results, and sales in Asia increased during the quarter.

Reduced operating profit as a result of high raw-material costs, lower efficiency and lower capitalization of development costs

Operating profit decreased during the first quarter compared with the corresponding quarter in 2006. Raw-material costs during the quarter were slightly lower than at the end of 2006, but significantly higher than the first quarter of 2006, which negatively impacted earnings. The efficiency within parts of Fluid & Acoustic Solutions also improved slightly compared with year-end 2006. However, compared with the first quarter of 2006, these efficiency problems adversely impacted earnings. For the first quarter, net capitalized development costs after amortization amounted to SEK 6 M (pos: 15), which negatively impacted on the business area's earnings. The decrease is a result of lower capitalization levels and extra impairment losses. Cash flow for the quarter decreased as a result of a weak operating profit and an increase in operating capital owing to increased sales volumes.

The strategic review continues. Decision concerning closure of two plants

In November 2006, the business area initiated an action program to improve profitability. The program encompasses both a strategic and operational review. During the quarter, within the framework of the program, the decision was taken concerning the closure of a plant in West Thurrock, in the UK (see page 5). In addition, Dawson Manufacturing Company, which is 45-percent owned by Trelleborg, decided to close a plant in Dawson, in the US, and relocate production to the company's plant in Benton Harbor, in the US. Plans are in place to gradually transfer production in Dawson, with some 100 employees, during 2007. The strategic review continues in parallel with the operational review and is being performed in a number of defined processes.

Trelleborg Sealing Solutions

SEK M	Jan-March		April 2006 -	Full year
	2007	2006	March 2007	2006
Net sales	1 476	1 426	5 439	5 389
Operating profit	226	190	762	726
Operating margin (ROS), %	15,3	13,4	14,0	13,5
Operating cash flow	56	69	781	794
Operating cash flow/Operating profit, %	25	36	102	109

Additional key ratios on pages 15 - 16

Good demand in prioritized segments

The market conditions for Trelleborg Sealing Solutions within the prioritized industrial segment and aerospace industry were good during the first quarter. The trend in the European market was particularly positive, propelled by Germany and Scandinavia. The Automotive market remained somewhat weaker than the corresponding period in the preceding year.

Gradual reprioritization of segments resulted in increased sales, organic growth of 8 percent

The gradual reprioritization of the business area to a focus on segments with higher growth and better margins resulted in increased sales in a number of these segments during the quarter, including the chemical-processing and aerospace industries. Within the industrial segment, sales grew organically by 11 percent, while the aerospace segment grew by 8 percent. Order intake within the aerospace industry remained extremely healthy and investments combined with the relocation of production within the business area are gradually increasing the delivery capacity. At the same time, sales to the automotive industry decreased slightly by 3 percent, where unprofitable segments have been eliminated, resulting in an improved product mix.

The business area's favorable growth in Central Europe and Asia continued during the first quarter. In Asia, organic growth amounted to 20 percent. Organic growth for the business area in its entirety amounted to 8 percent for the period.

Geographic growth and identified growth-initiatives prioritized

Investments in, and development of, market companies in Asia, Central Europe and North America continued during the first quarter. Investments within a number of well-defined growth initiatives also continued.

The business area's strengthened global position resulted in increased deliveries from several regions. During the quarter, Trelleborg entered into a global agreement with a supplier of hydraulic components and systems for mobile machines and equipment. The agreement is based on deliveries from both Europe and Asia.

Consolidated brand strategy

From April 1, 2007, all of the business area's operations were gathered under the Trelleborg brand. The former Busak-Shamban brand, used for the business area's market companies, is replaced by Trelleborg Sealing Solutions.

Operating profit rises by 19 percent, increased margin

During the first quarter, operating profit increased as a result of the sales increases in prioritized segments, strengthened by an improved product mix. The operating margin increased to 15.3 percent in the first quarter.

Trelleborg Wheel Systems

SEK M	Jan-March		April 2006 - March 2007	Full year 2006
	2007	2006		
<i>excluding restructuring costs and impairment losses</i>				
Net sales	830	844	3 131	3 145
Operating profit	89	65	267	243
Operating margin (ROS), %	10,8	7,7	8,5	7,7
Operating cash flow	-23	-37	167	153
Operating cash flow/Operating profit, %	neg	neg	63	63
<i>including restructuring costs and impairment losses</i>				
Operating profit	88	65	245	222
ROS, %	10,7	7,7	7,9	7,1

Additional key ratios on pages 15 - 16

Stable demand

The total market for agricultural tires declined slightly during the quarter. Demand for radial tires for agricultural use had a stable trend, while demand for radial tires declined slightly. The market for industrial tires in Western Europe and North America enjoyed continued growth.

Focus on prioritized segments, favorable organic growth

The business area's sales decreased slightly in the first quarter of 2007 due to its focus on prioritized segments and the discontinuation of external sales of [coated fabrics and other products](#) implemented toward the end of 2006 and during the first quarter of 2007.

However, sales of both agricultural/forest tires and industrial tires increased compared with the preceding year, on account of the business area's successful product-mix strategy. Organic growth for the business area amounted to 5 percent compared with the year-earlier period.

Trelleborg brand strengthened, new tire launches

The brand campaign initiated in 2006, in which Trelleborg was launched as the leading brand within agricultural tires, continued during the period. The first Trelleborg-branded TM 900 tire and new dimensions of Twin Radial tires were launched during the quarter.

Competitive production platform for industrial tires through expansion in Sri Lanka

The efficiency enhancement of industrial tire production announced in 2006, including the closure of the business area's plant in Hartville, in the US, and investments in facilities in Sri Lanka, is proceeding according to plan. Production will gradually be transferred during 2008.

Operating profit up by 37 percent

Operating profit and operating margin increased in the first quarter. The reasons behind the increases included the continued positive effects of the business area's product-mix strategy and a focusing of the product portfolio. However, it was also due to further positive effects derived from the relocation of production from the Trelleborg plant and increased cost efficiency.

Financial reporting

Group SEK M	Income Statements			
	Jan - March 2007	2006	April 2006 - March 2007	Full year 2006
<i>Continuing operations</i>				
Net sales	7 776	6 807	28 010	27 041
Cost of goods sold	-5 803	-5 091	-21 040	-20 328
Gross profit	1 973	1 716	6 970	6 713
Selling expenses	-553	-521	-2 099	-2 067
Administrative expenses	-708	-677	-2 671	-2 640
Research and development costs	-145	-125	-526	-506
Other operating income/expense	-125	43	-212	-44
Profit from part. in assoc. Companies	3	9	16	22
Operating profit	445	445	1 478	1 478
Financial income and expenses	-97	-68	-342	-313
Profit before tax	348	377	1 136	1 165
Tax	-126	-112	-416	-402
Profit for the period	222	265	720	763
<i>Discontinued operations</i>				
Net sales	-	188	55	243
Operating profit	-	28	1	29
Profit before tax	-	27	1	28
Profit for the period	-	35	-32	3
Total Net sales	7 776	6 995	28 065	27 284
Total operating profit	445	473	1 479	1 507
Total profit before tax	348	404	1 137	1 193
Total profit for the period	222	300	688	766
- attributable to minority interest	1	4	12	15
- attributable to equity holders of the parent	221	296	676	751
Earnings per share				
SEK	Jan - March 2007	2006	April 2006 - March 2007	Full year 2006
<i>Continuing operations</i>				
Earnings	2,45	2,90	7,80	8,25
<i>Discontinued operations</i>				
Earnings	-	0,40	-0,35	0,05
<i>Total</i>				
Earnings	2,45	3,30	7,45	8,30
Number of shares				
<i>Excluding own holdings</i>				
End of period	90 357 261	90 357 261	90 357 261	90 357 261
Average number	90 357 261	90 357 261	90 357 261	90 357 261
<i>Treasury shares</i>				
End of period	-	5 623 100	-	-
Average number	-	5 623 100	2 342 958	3 892 915

Balance Sheets

Group	March 31	March 31	Dec 31
SEK M	2007	2006	2006
Property, plant and equipment	6 131	5 825	6 008
Intangible assets	9 850	9 007	9 535
Financial assets	987	949	1 025
Total non-current assets	16 968	15 781	16 568
Inventories	3 791	3 503	3 604
Current operating receivables	7 590	6 856	6 681
Current interest-bearing receivables	67	157	88
Cash and cash equivalents	514	462	616
Total current assets	11 962	10 978	10 989
Total assets	28 930	26 759	27 557
Shareholders' equity, excluding minority share	10 068	10 245	9 580
Minority share	114	77	107
Total equity	10 182	10 322	9 687
Non-current interest-bearing liabilities	7 121	6 975	6 859
Other non-current liabilities	1 653	1 163	1 521
Total non-current liabilities	8 774	8 138	8 380
Interest-bearing current liabilities	3 330	2 258	3 225
Other current liabilities	6 644	6 041	6 265
Total current liabilities	9 974	8 299	9 490
Total equity and liabilities	28 930	26 759	27 557

Specification of changes in equity	March 31	March 31	Dec 31
SEK M	2007	2006	2006
<i>Attributable to equity holders of the parent</i>			
Opening balance, January 1	9 580	10 041	10 041
Cash flow hedges, net after tax	-2	11	10
Translation difference	367	-132	-905
Exchange-rate difference on hedging instruments ¹⁾	-98	29	180
Profit for the period	221	296	751
Dividend	-	-	-497
Closing balance	10 068	10 245	9 580
<i>Attributable to minority interest</i>			
Opening balance, January 1	107	72	72
Acquisitions	4	-	26
Translation difference	2	1	-5
Profit for the period	1	4	15
Dividend	-	-	-1
Closing balance	114	77	107
Sum Closing balance, equity	10 182	10 322	9 687

1) Net after tax

Cash flow statements				
SEK M	Jan-March 2007	2006	April 2006 - March 2007	Full year 2006
<i>Operating activities</i>				
Operating profit	445	445	1 478	1 478
Adjustments for items not included in cash flow:				
Amortization, intangible assets	28	25	117	114
Depreciation, property, plant and equipment	205	207	801	803
Impairment losses, intangible assets	31	-	188	157
Impairment losses, property, plant and equipment	-4	5	72	81
Provision for restructuring costs	132	18	213	99
Undistributed result from part. in assoc. companies	0	-9	21	12
	837	691	2 890	2 744
Interest received and other financial items	3	3	67	67
Interest paid and other financial items	-122	-29	-405	-312
Taxes paid	-86	-74	-332	-320
Cash flow from ongoing operations before changes in working capital	632	591	2 220	2 179
Cash flow from changes in working capital:				
Change in inventories	-87	-126	-228	-267
Change in operating receivables	-616	-574	-554	-512
Change in operating liabilities	129	116	648	635
Utilization of restructuring provisions	-25	-20	-88	-83
Cash flow from ongoing operations	33	-13	1 998	1 952
<i>Investing activities</i>				
Acquisitions	-125	-1 303	-1 917	-3 095
Restructuring measures in acquired entities	-1	-10	-32	-41
Disposals ¹⁾	98	-13	286	175
Capital expenditure in intangible assets	-16	-32	-116	-132
Capital expenditure, property, plant and equipment	-255	-186	-1 049	-980
Sale of non-current assets	5	2	122	119
Cash flow from investing activities	-294	-1 542	-2 706	-3 954
<i>Financing activities</i>				
Change in interest-bearing investments	23	45	-42	-20
Change in interest-bearing liabilities	124	1 314	1 330	2 520
Dividend paid to shareholders	-	-	-497	-497
Dividend paid to minority	-	-	-1	-1
Cash flow from the financing activities	147	1 359	790	2 002
Cash flow for the period	-114	-196	82	0
Cash and cash equivalents:				
At beginning of the period	616	663	462	663
Exchange rate differences	12	-5	-30	-47
Cash and cash equivalents at end of period	514	462	514	616

¹⁾ Including cash flow in entities for which an agreement regarding discontinuation has been reached and sale of real estate

Group review, continuing operations

SEK M	Jan-March		April 2006 -	Full year
	2007	2006	Mars 2007	2006
<i>Continuing operations excl restructuring costs and impairment losses</i>				
Net sales	7 776	6 807	28 010	27 041
EBITDA	838	700	2 868	2 730
Operating profit	608	468	1 955	1 815
Profit for the period	355	280	1 142	1 067

SEK M	Jan-March		April 2006 -	Full year
	2007	2006	March 2007	2006
<i>Continuing operations</i>				
Trelleborg Engineered Systems	2 896	2 057	10 149	9 310
Trelleborg Automotive	2 656	2 556	9 593	9 493
Trelleborg Sealing Solutions	1 476	1 426	5 439	5 389
Trelleborg Wheel Systems	830	844	3 131	3 145
Eliminations	-82	-76	-302	-296
Total	7 776	6 807	28 010	27 041

SEK M	Jan-March		April 2006 -	Full year
	2007	2006	March 2007	2006
Operating profit before depreciations (EBITDA)				
<i>Continuing operations excl restructuring costs</i>				
Trelleborg Engineered Systems	347	203	1 185	1 041
Trelleborg Automotive	149	205	564	620
Trelleborg Sealing Solutions	269	234	932	897
Trelleborg Wheel Systems	108	89	353	334
Other companies	-3	-1	-10	-8
Group items	-32	-30	-156	-154
Total excluding restructuring costs	838	700	2 868	2 730
<i>Restructuring costs</i>				
Trelleborg Engineered Systems	-	-18	-13	-31
Trelleborg Automotive	-158	-	-209	-51
Trelleborg Wheel Systems	-1	-	-18	-17
Sale of property	26	-	26	-
Total including restructuring costs	705	682	2 654	2 631

EBITDA, % ¹⁾	Jan-March		April 2006 -	Full year
	2007	2006	March 2007	2006
<i>Continuing operations excl restructuring costs</i>				
Trelleborg Engineered Systems	11,9	9,8	11,6	11,1
Trelleborg Automotive	5,5	7,7	5,8	6,4
Trelleborg Sealing Solutions	18,2	16,4	17,1	16,6
Trelleborg Wheel Systems	13,0	10,6	11,4	10,6
Total excluding restructuring costs	10,7	10,1	10,2	10,0
<i>Including restructuring costs</i>				
Trelleborg Engineered Systems	11,9	8,7	11,5	10,8
Trelleborg Automotive	-0,5	7,7	3,6	5,8
Trelleborg Wheel Systems	13,0	10,6	10,7	10,1
Total including restructuring costs	9,0	9,8	9,4	9,6

1) Operating profit before depreciations excluding participations in associated companies in relation to net sales.

TRELLEBORG AB INTERIM REPORT JANUARY - MARCH 2007

Operating profit		Jan-March	April 2006 -	Full year
SEK M	2007	2006	March 2007	2006
<i>Continuing operations excluding restructuring costs and impairment losses</i>				
Trelleborg Engineered Systems	276	148	933	805
Trelleborg Automotive	56	103	167	214
Trelleborg Sealing Solutions	226	190	762	726
Trelleborg Wheel Systems	89	65	267	243
Other companies	-4	-3	-16	-15
Group items	-35	-35	-158	-158
Total excluding restructuring costs and impairment losses	608	468	1 955	1 815
<i>Restructuring costs and impairment losses</i>				
Trelleborg Engineered Systems	-	-23	-13	-36
Trelleborg Automotive	-188	-	-468	-280
Trelleborg Wheel Systems	-1	-	-22	-21
Sale of property	26	-	26	-
Total including restructuring costs and impairment losses	445	445	1 478	1 478

Operating margin, (ROS) %¹⁾		Jan-March	April 2006 -	Full year
	2007	2006	March 2007	2006
<i>Continuing operations excluding restructuring costs and impairment losses</i>				
Trelleborg Engineered Systems	9,5	7,1	9,1	8,6
Trelleborg Automotive	2,0	3,7	1,7	2,1
Trelleborg Sealing Solutions	15,3	13,4	14,0	13,5
Trelleborg Wheel Systems	10,8	7,7	8,5	7,7
Total excluding restructuring costs and impairment losses	7,8	6,7	6,9	6,6
<i>Including restructuring costs and impairment losses</i>				
Trelleborg Engineered Systems	9,5	6,0	9,0	8,2
Trelleborg Automotive	-5,1	3,7	-3,2	-0,9
Trelleborg Wheel Systems	10,7	7,7	7,9	7,1
Total including restructuring costs and impairment losses	5,7	6,4	5,2	5,4

1) Operating profit excluding participations in associated companies in relation to net sales.

Return on capital employed, (ROA) %²⁾	April 2006 -	April 2005 -	Full year
	March 2007	March 2006	2006
<i>Continuing operations excluding restructuring costs and impairment losses</i>			
Trelleborg Engineered Systems	17,7	18,0	16,7
Trelleborg Automotive	3,1	8,9	4,0
Trelleborg Sealing Solutions	11,5	10,8	10,9
Trelleborg Wheel Systems	17,9	15,4	16,3
Total excluding restructuring costs and impairment losses	10,4	10,7	9,8
<i>Including restructuring costs and impairment losses</i>			
Trelleborg Engineered Systems	17,6	17,1	16,1
Trelleborg Automotive	-5,7	8,9	-1,2
Trelleborg Wheel Systems	16,6	15,4	15,0
Total including restructuring costs and impairment losses	7,9	10,7	8,0

2) Operating profit in relation to average capital employed.

Capital employed³⁾	March 31	March 31	Dec 31
SEK M	2007	2006	2006
<i>Continuing operations</i>			
Trelleborg Engineered Systems	6 346	4 338	5 920
Trelleborg Automotive	5 319	5 538	5 053
Trelleborg Sealing Solutions	6 722	6 853	6 374
Trelleborg Wheel Systems	1 564	1 528	1 418
Other companies	33	120	129
Group items	5	36	19
Provisions for restructuring measures	-230	-79	-95
Total	19 759	18 334	18 818

3) Total assets less interest-bearing investments and non-interest bearing operating liabilities (including pension liabilities), and excluding tax receivables and tax liabilities.

TRELLEBORG AB INTERIM REPORT JANUARY - MARCH 2007

Jan - March										Cash flow report	
SEK M	EBITDA ¹⁾		Capital expenditure		Sold non current assets		Change in working capital		Total cash flow		April 2006- March 2007
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	
Trelleborg Engineered Systems	362	211	-82	-51	9	-	-179	-181	110	-21	946
Trelleborg Automotive	154	206	-90	-126	4	1	-138	-107	-70	-26	101
Trelleborg Sealing Solutions	275	240	-38	-26	-5	1	-176	-146	56	69	781
Trelleborg Wheel Systems	112	92	-50	-13	-	-	-85	-116	-23	-37	167
Other companies	-3	-1	-	-	-	-	-2	-1	-5	-2	-17
Group items	-63	-57	-11	-2	-3	-	6	-33	-71	-92	-265
Operating cash flow	837	691	-271	-218	5	2	-574	-584	-3	-109	1 713
Restructuring measures provided for at the time of acquisition									-1	-10	-32
Other restructuring measures									-25	-20	-88
Financial items									-119	-26	-338
Paid tax									-86	-74	-332
Free cash flow									-234	-239	923
Acquisitions									-125	-1 303	-1 917
Disposals ²⁾									98	-13	286
Dividend paid to shareholders									-	-	-497
Sum net cash flow									-261	-1 555	-1 205
1) Excluding undistributed result from associated companies and allocated group expenses											
2) Including cash flow in entities for which an agreement regarding discontinuation has been reached and sale of real estate											
Net debt, opening balance									-9 350	-7 236	-8 720
Net cash flow for the period									-261	-1 555	-1 205
Borrowing costs									1	1	-2
Exchange rate differences									-231	70	86
Net debt, closing balance									-9 841	-8 720	-9 841

Acquisitions, January-March		2007	2006
SEK M			
Purchase price ¹⁾		124	1 283
Acquisition expenses		1	20
Net realizable value of acquired assets		25	427
Goodwill		100	876
Acquired assets and liabilities:			
Property, plant and equipment		19	258
Intangible assets		-	2
Deferred tax		-	4
Associated companies		-	-
Other shares		-	-
Operating assets		39	437
Cash and cash equivalents		-	-
Minority share		-	102
Operating liabilities		-33	-376
Total		25	427
Profit for the period		3	14
Profit for the period in acquired entities January - March		3	16

¹⁾ The acquisitions are presented on page 4

INVITATION to telephone conference on April 25, at 4.45 p.m. CET

A telephone conference will be held on April 25 at 4:45 p.m. CET. Call +44 (0)20 7138 0845 or +46 (0)8 5853 6966 and state the password "Trelleborg." Presentation materials will be available at www.trelleborg.com from about 30 minutes prior to the commencement of the conference. The conference will be recorded and will be available for five days following the conference on tel. +44 (0)20 7806 1970 or +46 (0)8 5876 9441, code 6635914.

Calendar

Six-month report 2007	July 24, 2007
Nine-month report 2007	October 26, 2007

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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 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.