

# Yet another robust quarter

- Net sales for the second quarter of 2015 increased by 14 percent (2) to SEK 6,531 M (5,726). Sales were the Group's highest to date for a single quarter. Organic sales declined by 1 percent (decline: 1). Effects of structural changes made a positive contribution of 4 percent (0), while the effects of exchange rate movements were a positive 11 percent (pos: 3).
- Operating profit, excluding the participation in TrelleborgVibracoustic and items affecting comparability, rose 10 percent to SEK 883 M (802), equivalent to an operating margin of 13.5 percent (14.0). The operating profit was the Group's highest to date for a single quarter.
- Items affecting comparability for the quarter amounted to an expense of SEK 23 M (expense: 99), which was fully attributable to previously announced restructuring programs.
- Operating profit in the quarter for TrelleborgVibracoustic, excluding items affecting comparability, increased 20 percent and amounted to EUR 47.3 M (39.5). This corresponded to an operating margin of 9.6 percent (8.9). Both operating profit and margin were the highest to date for the company for a single quarter.
- Trelleborg's participation in TrelleborgVibracoustic's profit amounted to SEK 137 M after tax (29). Items affecting comparability amounted to an expense of SEK 28 M (expense: 126) and is in line with communicated full-year levels.
- Earnings per share rose 43 percent to SEK 2.78 (1.95).
- The operating cash flow was SEK 603 M (539).

SEK M	Q2 2015	Q2 2014	Change, %	6M 2015	6M 2014	Change, %
Net sales	6,531	5,726	14	12,901	11,323	14
Organic sales, %	-1	-1		-2	1	
Operating profit excl. participation in TrelleborgVibracoustic and items affecting comparability	883	802	10	1,716	1,581	9
Operating margin, %	13.5	14.0		13.3	14.0	
Share in TrelleborgVibracoustic <sup>1)</sup>	137	29	372	274	116	136
Items affecting comparability	-23	-99		-58	-117	
Operating profit	997	732	36	1,932	1,580	22
Profit before tax	956	699	37	1,856	1,513	23
Net profit	756	530	43	1,445	1,153	25
Earnings per share, SEK	2.78	1.95	43	5.32	4.24	25
Operating cash flow	603	539	12	662	906	-27

<sup>1)</sup>The share in TrelleborgVibracoustic is accounted as net after tax.

# “Yet another robust quarter”

*“For Trelleborg, the second quarter of the year entailed somewhat improved organic sales compared with the beginning of the year. However, the organic sales trend was still weak, which was primarily due to the prevailing challenging market situation in agriculture and oil/gas, but also by continued margin discipline.*

*Sales increased for all business areas and for our TrelleborgVibracoustic joint venture compared with the year-earlier period, impacted mainly by positive currency effects and acquisitions made. Operating profit rose for four of the five business areas, and also for TrelleborgVibracoustic. At Group level, this generally meant that the percentage increase in both sales and operating profit was in double digits.*

*The TrelleborgVibracoustic joint venture performed well, with continued organic sales that outperformed the underlying market. The company achieved its highest operating margin to date for a single quarter. Activities aimed at preparing TrelleborgVibracoustic for a potential initial public offering are progressing.*

*In Europe, the markets continued to perform in line with the first quarter, but with relatively large differences between the regions and the various market segments. The signs of weaker market conditions in the U.S. that we noted at the beginning of the year continued into the second quarter. It is apparent that our export-dependent customers in the U.S. are being impacted by the stronger USD. Uncertainty is also growing in China, underlined by stock market turbulence in the region.*

*The lower world market price of oil is continuing to impact parts of the Group, and is having a negative effect on demand from customers and increases uncertainty for our deliveries to the oil/gas industry. Our agricultural tire operation continues to be affected by the challenging market situation in the segment. Other market segments, such as the aerospace and automotive industries, continue to develop satisfactorily.*

*Our overall assessment is that the market is continuing to move sideways. We are continuously monitoring developments and are maintaining preparedness to adjust our various businesses to fluctuating demand.”*

*Peter Nilsson,  
President and CEO*

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## Market outlook for the third quarter of 2015

Demand is expected to be on a par with the second quarter of 2015, adjusted for seasonal variations.

### **Market outlook from the interim report published on April 23, 2015, relating to the second quarter of 2015**

Demand is expected to be on a par with the first quarter of 2015, adjusted for seasonal variations.

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# Second quarter 2015

## Net sales

SEK M, growth, %	Q2 2015	Q2 2014	6M 2015	6M 2014
Net sales	6,531	5,726	12,901	11,323
Change total, %	14	2	14	3
Organic sales, %	-1	-1	-2	1
Structural change, %	4	0	4	0
Currency effects, %	11	3	12	2

Net sales for the second quarter of 2015 rose 14 percent (2) year-on-year and amounted to SEK 6,531 M (5,726). Organic sales declined by 1 percent during the quarter. Effects from structural changes contributed 4 percent, while exchange rate effects accounted for a positive 11 percent compared with the year-earlier period.

Excluding project deliveries, the Group reported a decline

in organic sales by 3 percent, year-on-year. Excluding project deliveries, organic sales in Western Europe declined by 3 percent. In the rest of Europe, organic sales rose by 3 percent. Organic sales declined in North America by 4 percent. South America reported unchanged sales. In Asia and other markets, organic sales declined by 3 percent compared with the year-earlier period, with a 7-percent decline in China.

## Result

SEK M	Q2 2015	Q2 2014	Change, %	6M 2015	6M 2014	Change, %
Operating profit excl. participation in TrelleborgVibracoustic and items affecting comparability	883	802	10	1,716	1,581	9
Operating margin, %	13.5	14.0		13.3	14.0	
Share in TrelleborgVibracoustic <sup>1)</sup>	137	29	372	274	116	136
Items affecting comparability	-23	-99		-58	-117	
Operating profit	997	732	36	1,932	1,580	22
Financial income and expenses	-41	-33	-24	-76	-67	-13
Profit before tax	956	699	37	1,856	1,513	23
Taxes	-200	-169		-411	-360	
Net profit	756	530	43	1,445	1,153	25

<sup>1)</sup> The share in TrelleborgVibracoustic is accounted as net after tax and includes items affecting comparability of SEK -28 M (-126) for the second quarter.

Operating profit, excluding the participation in TrelleborgVibracoustic and items affecting comparability, amounted to SEK 883 M (802), a year-on-year increase of 10 percent. The total exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 100 M (27) on earnings compared with the year-earlier period. Acquired operations had a positive impact on the earnings trend. The operating margin was 13.5 percent (14.0).

The quarter was charged with items affecting comparability amounting to an expense of SEK 23 M (expense: 99), which was fully attributable to previously communicated restructuring programs.

Trelleborg's participation in TrelleborgVibracoustic is included in operating profit in accordance with the equity method. The participation totaled SEK 137 M after tax (29).

Operating profit for the quarter, including the participation in TrelleborgVibracoustic and items affecting comparability, amounted to SEK 997 M (732), an increase of 36 percent.

The average rate of interest amounted to 2.0 percent (2.1). Net financial expense was SEK 41 M (expense: 33), impacted by a higher level of indebtedness.

Net profit was SEK 756 M (530). Excluding TrelleborgVibracoustic, the tax rate was 24 percent (25).

## Cash flow

SEK M	Q2 2015	Q2 2014	Change, %	6M 2015	6M 2014	Change, %
EBITDA, operating profit before depreciation	1,085	974	11	2,121	1,917	11
Capital expenditure	-295	-204	-45	-472	-344	-37
Sold non-current assets	19	-		21	2	
Change in working capital	-203	-233	13	-1,005	-670	-50
Non cash-flow affecting items	-3	2		-3	1	
<b>Operating cash flow</b>	<b>603</b>	<b>539</b>	<b>12</b>	<b>662</b>	<b>906</b>	<b>-27</b>
Cash impact from items affecting comparability	-21	-49		-51	-83	
Dividend - non-controlling interest	-	0		-	0	
Financial items	-7	-4		-85	-68	
Paid tax	-136	-123		-205	-247	
<b>Free cash flow</b>	<b>439</b>	<b>363</b>	<b>21</b>	<b>321</b>	<b>508</b>	<b>-37</b>
Acquisitions	-81	-82		-104	-235	
Discontinuing operations	27	-		27	-	
Dividend - equity holders of the parent company	-1,017	-881		-1,017	-881	
<b>Sum net cash flow</b>	<b>-632</b>	<b>-600</b>	<b>-5</b>	<b>-773</b>	<b>-608</b>	<b>-27</b>

Operating cash flow amounted to SEK 603 M (539). The slightly higher pace of investment was offset by better operating profit before depreciation. For constant exchange rates and comparable units, working capital in relation to net sales increased marginally to 17.9 percent (17.0).

The cash conversion ratio for the most recent 12-month

period was 78 percent (90), partly driven by a higher investment level.

Free cash flow amounted to SEK 439 M (363). Dividend was paid to shareholders during the quarter and amounted to SEK 1,017 M (881). The net cash flow amounted to a negative SEK 632 M (neg: 600).

## Net debt

Change in net debt, SEK M	6M 2015	6M 2014	12M 2014
Net debt, opening balance	-7,195	-5,637	-5,637
Net cash flow for the period	-773	-608	-890
Exchange rate differences	-131	-182	-668
Net debt, closing balance	<b>-8,099</b>	<b>-6,427</b>	<b>-7,195</b>
Debt/equity ratio, %	44	41	40
Net Debt/EBITDA excl items affecting comparability	1.9	1.7	1.8
Net Debt/EBITDA, Total Group	2.0	1.9	1.9

Since the beginning of the year, net debt rose SEK 904 M, affected by a negative net cash flow and exchange rate differences. The debt/equity ratio was 44 percent (41) at the end of the period. Net debt in relation to EBITDA, excluding

items affecting comparability, was 1.9 (1.7). Net debt in relation to EBITDA for the Group in total was 2.0 (1.9).

## Return on capital employed

%	R12 2015	R12 2014	12M 2014
Return on capital employed excl items affecting comparability <sup>1)</sup>	14.9	16.0	15.9
Return on capital employed incl items affecting comparability <sup>1)</sup>	14.1	14.5	14.8

<sup>1)</sup> Excluding participation in TrelleborgVibracoustic.

Capital employed, excluding the participation in TrelleborgVibracoustic, increased year-on-year to SEK 22,269 M (18,650), partly affected by the weaker Swedish krona.

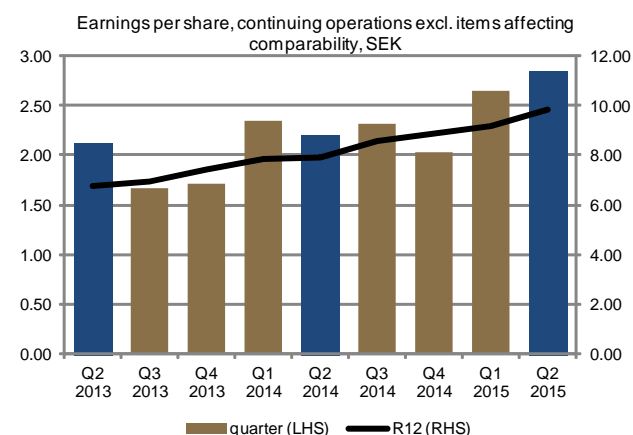
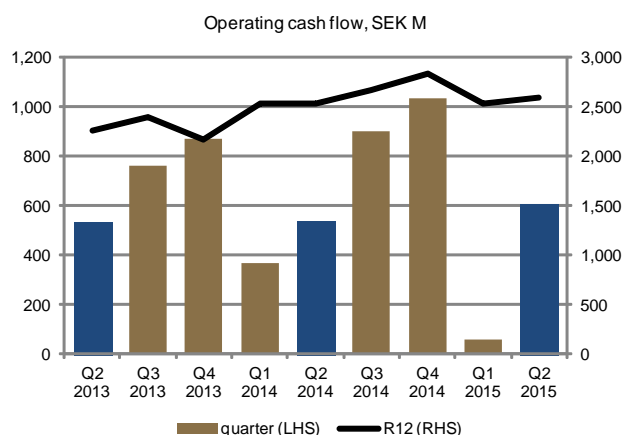
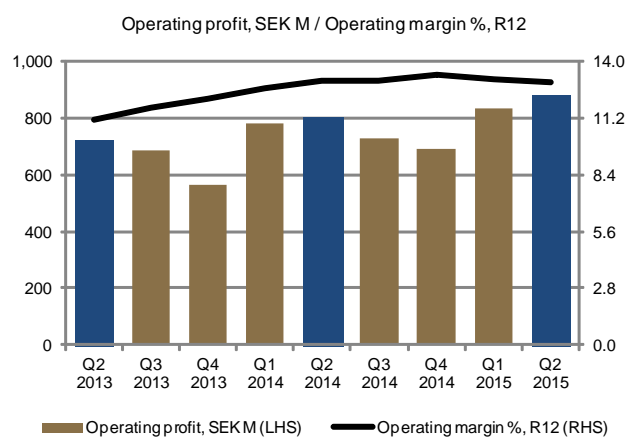
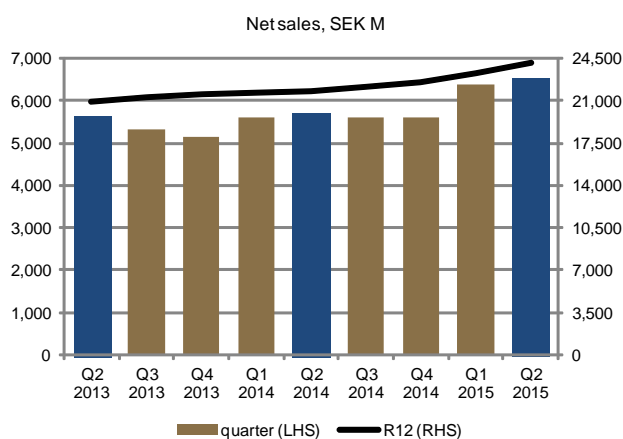
Return on capital employed, excluding items affecting comparability, amounted to 14.9 percent (16.0).

## Return on equity

%	R12 2015	R12 2014	12M 2014
Return on equity excl items affecting comparability	15.7	14.4	14.8
Return on equity incl items affecting comparability	14.9	12.9	13.7
Total Group	14.8	12.7	13.6

Shareholders' equity for the Group at the close of the period amounted to SEK 18,236 M (17,767 at January 1), excluding non-controlling interests. Equity per share amounted to

SEK 67 (58), an increase of 16 percent. The equity/assets ratio was 53 percent (53). The total return on shareholders' equity for the Group was 14.8 percent (12.7).



## January-June 2015

Net sales for the first six months of 2015 totaled SEK 12,901 M (11,323), up 14 percent year-on-year.

Operating profit for the first six months of 2015 amounted to SEK 1,932 M (1,580).

The financial net expense was SEK 76 M (expense: 67), corresponding to an average interest rate of 1.9 percent (2.2).

Profit before tax totaled SEK 1,856 M (1,513).

Net profit amounted to SEK 1,445 M (1,153).

Total earnings per share for the Group were SEK 5.32 (4.24).

## Significant events during the quarter

### Press releases

**Acquisition of outstanding shares in liquid silicone rubber operation.** Trelleborg Sealing Solutions utilized an option from 2011 to acquire the outstanding 50 percent of the shares in Trelleborg Sealing Solutions Silcotech Bulgaria OOD, with a production unit in Pernik, Bulgaria. Its main focus is the production of precision molded seals in liquid silicone rubber (LSR) for various industries including baby care and food processing. The transaction is part of Trelleborg's strategy to strengthen its positions in attractive market segments. The business was already fully consolidated.

The press release was published on April 2, 2015.

The press release regarding the acquisition in its entirety was published on March 28, 2011.

### Acquisition of agricultural tire business finalized.

Trelleborg Wheel Systems finalized the agreement to acquire Armstrong Tyres, an Australian service and distribution company of agricultural tires. The business specializes in tires and complete wheels for original equipment manufacturers (OEMs) and tractor dealers, and holds a market-leading position in Australia. The acquisition increases Trelleborg's

presence in the Australian market and strengthens the base for the sale of tires to the aftermarket.

The acquired operation has its head office in Bendigo, Victoria, Australia. Sales in 2014 amounted to approximately SEK 50 M. This acquisition is part of Trelleborg's strategy to strengthen its positions in attractive market segments.

The business was consolidated as of April 10.

Press releases were published on March 31, 2015 and on April 10, 2015.

### Other

**Acquisition of small printing blankets operation.** Trelleborg Coated Systems signed an agreement to acquire a small printing blankets operation in Austria that offers the conversion of coated fabric and the resale of printing blankets in Eastern Europe, including the Balkan countries. The transaction is expected to be completed during the third quarter of 2015.

**New President of TrelleborgVibracoustic.** On June 1, Frank Müller assumed the position as new CEO of the TrelleborgVibracoustic joint venture. He succeeds Hans-Jürgen Goslar who is retiring.

## Significant events after the close of the period

No significant events were reported after the close of the period.

## Risk management

Trelleborg focuses continuously on identifying, evaluating and managing risks arising in the Group's companies, business areas, business units and processes. Trelleborg has an Enterprise Risk Management process (ERM process) that aims to provide a Group-wide overview of Trelleborg's risks as well as a basis for decisions on how to handle and follow up risk management. The principal risks and uncertainties currently faced by the Group relate to the economy's effect on

demand, supply and price movements for raw materials and components, structural programs and financial risks in the business environment.

For further information regarding the Group's risks, risk exposure and risk management, refer to the Trelleborg Annual Report, [www.trelleborg.com](http://www.trelleborg.com) and information released in this Interim report.

## Board of Directors' assurance

This interim report provides a fair overview of the operations, position and results of the Parent Company and the Group, and describes material risks and uncertainties faced by the Parent Company and the companies that are included in the Group.

*Trelleborg, July 21, 2015  
Trelleborg AB (publ)*

*Sören Mellstig  
Chairman of the Board*

*Hans Biörck  
Board Member*

*Jan Carlson  
Board Member*

*Claes Lindqvist  
Board Member*

*Peter Nilsson  
Board Member and  
President/CEO*

*Anne Mette Olesen  
Board Member*

*Bo Risberg  
Board Member*

*Nina Udnes Tronstad  
Board Member*

*Heléne Vibbleus  
Board Member*

*Göran Andersson  
Employee representative*

*Peter Larsson  
Employee representative*

*Mikael Nilsson  
Employee representative*

*This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable rules of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act, Interim Reports. The accounting policies applied by the Group and Parent Company correspond to the accounting policies applied in the preparation of the most recent annual report, with the exception of that stated below.*

### ***New and amended standards applied from January 1, 2015***

*New and amended standards are not considered to have had a material impact the Group's or Parent Company's earnings or financial position.*

*This report was not subject to special review by the company's auditor.*

*To harmonize the reporting within Trelleborg's business areas, minor adjustments have been made in the classification of some income and expenses in the Income Statement for 2014. This has led to minor changes in Net Sales and Other Operating Income. Further, certain expenses earlier reported as SAR (Sales, Administration, & Research) costs are now classified as COGS (Cost Of Goods Sold), see further [www.trelleborg.com/en/About-us/Corporate-Governance](http://www.trelleborg.com/en/About-us/Corporate-Governance), section Accounting principles.*

# Trelleborg

BUSINESS AREA

# Coated Systems

Trelleborg Coated Systems is a leading global supplier of unique customer solutions for polymer-coated fabrics deployed in several industrial applications.

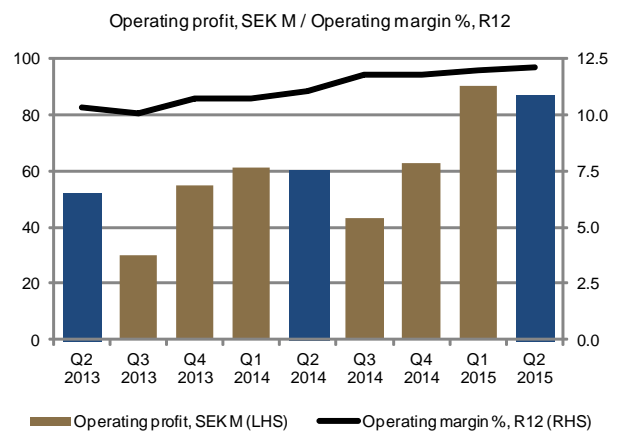
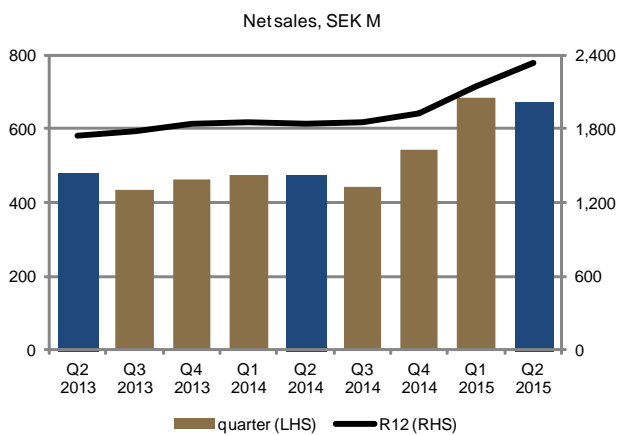
Excluding items affecting comparability, SEK M	Q2 2015	Q2 2014	Change, %	6M 2015	6M 2014	Change, %
Net sales	672	475	41	1,355	948	43
Change total, %	41	0		43	1	
Organic sales, %	0	-2		0	-2	
Structural change, %	24	-		24	1	
Currency effects, %	17	2		19	2	
Operating profit	87	60	45	177	121	46
Operating margin, %	12.9	12.5		13.0	12.7	

Additional key ratios on pages 18 - 19

Organic sales for the quarter was unchanged year-on-year. Organic sales of coated fabrics declined slightly compared with the corresponding period in 2014, with weaker sales in Europe being partially offset by slightly improved performance in North America. Demand from the aerospace industry continues to increase. Printing blankets noted somewhat higher organic sales, driven mainly by higher volumes in South and North America. The coated fabrics businesses that were acquired in the U.S. in 2014 generated a structural change of 24 percent.

Increased sales combined with ongoing efficiency measures in Europe and North America and the favorable effect of implemented acquisitions had a positive effect on operating profit and margin compared with the year-earlier period. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 10 M on earnings.

During the quarter, an agreement was signed to acquire a small printing blankets operation in Austria, refer to page 6.







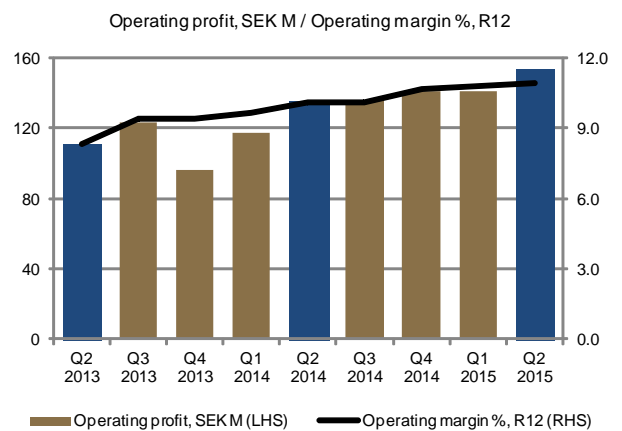
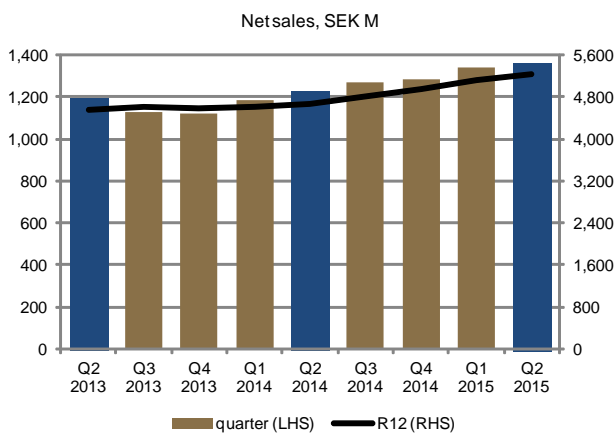
**Trelleborg Industrial Solutions is a leading supplier of polymer-based critical solutions in such industrial application areas as hose systems, industrial antivibration solutions and selected industrial sealing systems.**

Excluding items affecting comparability, SEK M	Q2 2015	Q2 2014	Change, %	6M 2015	6M 2014	Change, %
Net sales	1,358	1,226	11	2,698	2,409	12
Change total, %	11	3		12	3	
Organic sales, %	-4	-2		-5	0	
Structural change, %	7	2		8	1	
Currency effects, %	8	3		9	2	
Operating profit	154	135	14	295	252	17
Operating margin, %	11.4	11.0		10.9	10.4	

Additional key ratios on pages 18 - 19

Organic sales for the quarter declined 4 percent year-on-year. The various market segments and geographic markets reported mixed sales trends. The lower oil price impacted sales negatively by fewer oil/gas-related deliveries. Organic sales were negative in Europe and Asia, while the organic sales trend in North America was slightly positive. Acquisitions and divestments had a positive net effect on the structural change, which amounted to 7 percent.

Operating profit improved compared with the year-earlier period, due primarily to enhanced market positions, effective price discipline and cost control. The operating margin improved on account of a healthy sales mix and was the highest to date for a single quarter. Acquisitions implemented during 2014 contributed positively to the earnings trend. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 14 M on earnings.





# Trelleborg

BUSINESS AREA

# Offshore & Construction

**Trelleborg Offshore & Construction is a leading global project supplier of polymer-based critical solutions deployed in highly demanding offshore oil & gas and infrastructure construction environments.**

Excluding items affecting comparability, SEK M	Q2 2015	Q2 2014	Change, %	6M 2015	6M 2014	Change, %
Net sales	1,174	967	21	2,163	1,826	18
Change total, %	21	-1		18	0	
Organic sales, %	6	-4		2	-1	
Structural change, %	-	-		-	0	
Currency effects, %	15	3		16	1	
Operating profit	68	93	-27	76	157	-52
Operating margin, %	5.8	9.7		3.5	8.6	

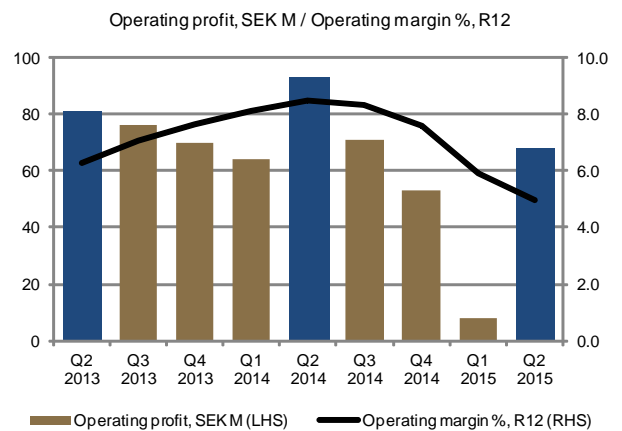
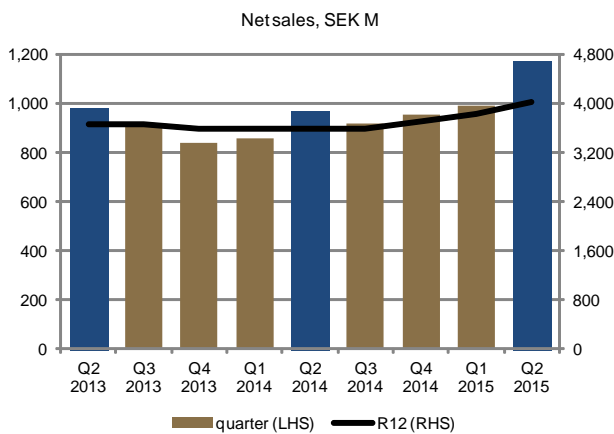
Additional key ratios on pages 18 - 19

Organic sales for the quarter rose 6 percent year-on-year. The increase was driven by healthy organic growth in the offshore oil/gas segment, and in parts of the infrastructure segment. Orders received during the quarter were satisfactory, and the order book remains at a historically high level.

The operating profit and margin declined year-on-year, mainly due to the negative sales mix and some under-absorption in a few facilities. However, the earnings trend was positive compared with the year-earlier period due to a more

favorable sales mix and adaptations implemented to the prevailing market situation.

The significant lower market price of oil has entailed intensified competition for the remaining project transactions, and the uncertainty of the market situation ahead remains. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 9 M on earnings.





**Trelleborg Sealing Solutions is a leading global supplier of polymer-based critical sealing solutions deployed in demanding general industry, light vehicle and aerospace environments.**

Excluding items affecting comparability, SEK M	Q2 2015	Q2 2014	Change, %	6M 2015	6M 2014	Change, %
Net sales	2,129	1,957	9	4,333	3,874	12
Change total, %	9	7		12	8	
Organic sales, %	-3	4		-1	6	
Structural change, %	-	-		-	-	
Currency effects, %	12	3		13	2	
Operating profit	496	454	9	1,021	890	15
Operating margin, %	23.3	23.2		23.6	23.0	

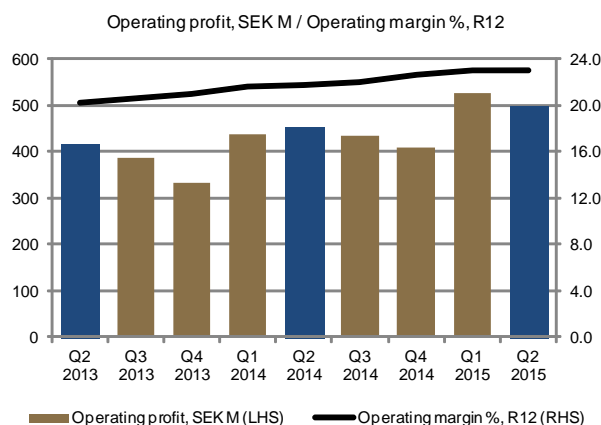
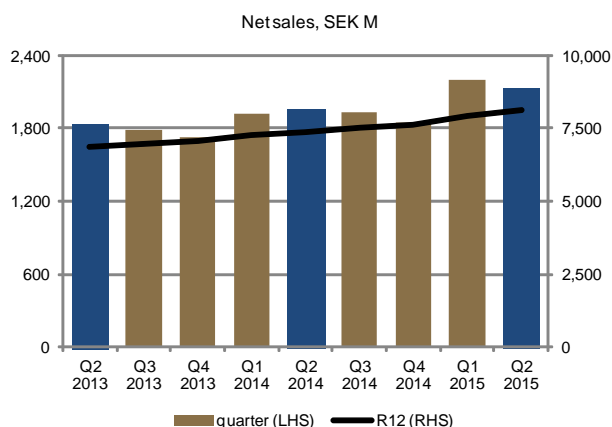
Additional key ratios on pages 18 - 19

Organic sales for the quarter declined 3 percent year-on-year. Organic sales in Europe were unchanged, while Asia demonstrated favorable growth in several market segments. The corresponding trend in North America was negative. Organic sales were driven by a positive trend in primarily the aerospace and automotive industries, but were also negatively affected by lower sales to general industry.

The operating profit and margin increased compared with the year-earlier period, mainly due to effective cost control, favorable exchange rate effects and a continued focus on selected segments. Exchange rate effects from the translation

of foreign subsidiaries had a positive impact of SEK 47 M on operating profit.

The business area utilized an option from 2011 to acquire the outstanding 50 percent of the shares in Trelleborg Sealing Solutions Silcotech Bulgaria OOD, refer to page 6. Production of seals and components for the aerospace industry commenced in a new facility in France during the period. The facility will replace an older one with the aim of further strengthening the position of the business area in the market segment.





**Trelleborg Wheel Systems is a leading global supplier of tires and complete wheels for agricultural and forestry machines, forklift trucks and other material handling vehicles.**

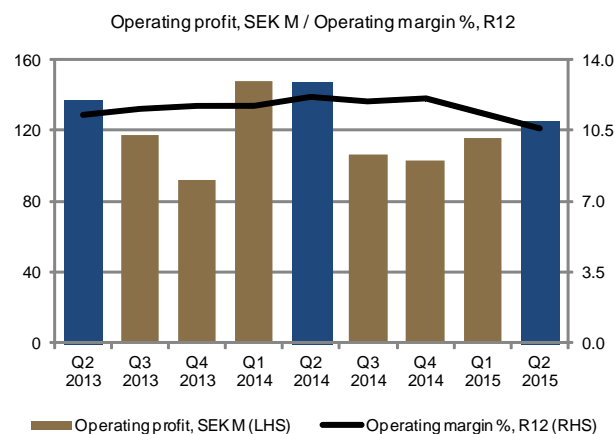
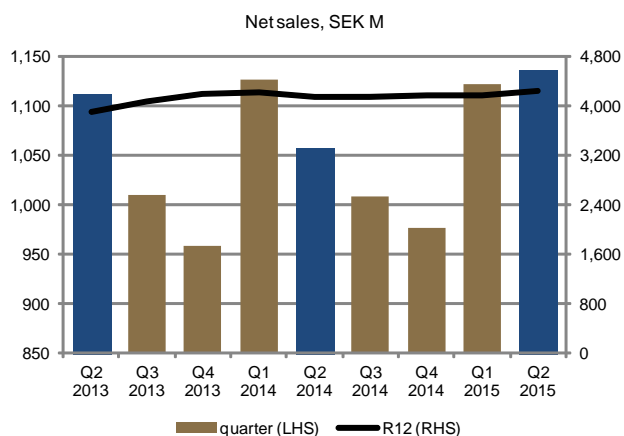
Excluding items affecting comparability, SEK M	Q2 2015	Q2 2014	Change, %	6M 2015	6M 2014	Change, %
Net sales	1,136	1,057	7	2,258	2,183	3
Change total, %	7	-5		3	-2	
Organic sales, %	-4	-8		-8	-4	
Structural change, %	2	-		1	0	
Currency effects, %	9	3		10	2	
Operating profit	125	147	-15	241	295	-18
Operating margin, %	11.0	13.9		10.7	13.5	

Additional key ratios on pages 18 - 19

Organic sales for the quarter declined by 4 percent year-on-year. Sales of agricultural tires continue to be impacted by lower production levels of agricultural machinery among OE manufacturers, compared with the year-earlier quarter. Aftermarket sales declined to a lesser degree and outperformed the underlying market. The business area continued to capture market shares in selected agricultural tire sub-segments. Sales of tires for materials handling vehicles rose during the quarter, but did not fully offset the lower sales of agricultural tires. The business area noted lower sales in the European and North American markets although sales rose in Asia and other markets.

The operating profit and margin declined compared with the year-earlier period, mainly as a result of the softer market conditions in agriculture tires. The construction of a new agricultural tire manufacturing facility in the U.S. also affected operating profit. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 18 M on operating profit.

The acquisition of an Australian service and distribution company specializing in agriculture tires was finalized during the quarter, refer to page 6. The business area is investing in the capacity expansion in the Chinese facility for agricultural tires.





Joint venture  
TrelleborgVibracoustic

**TrelleborgVibracoustic is a global leader within antivibration solutions for light and heavy vehicles. The company was formed in July 2012 and is owned in equal shares by Trelleborg and Freudenberg.**

Note that EUR is the reporting currency of TrelleborgVibracoustic.

EUR M	Q2 2015	Q2 2014	Change, %	6M 2015	6M 2014	Change, %
Net sales	491.9	444.0	11	977.7	891.3	10
Change total, %	11	4		10	3	
Organic sales, %	4	8		3	6	
Structural change, %	-	1		-	0	
Currency effects, %	7	-5		7	-3	
Operating profit excl items affecting comparability	47.3	39.5	20	93.5	78.1	20
Operating, margin %	9.6	8.9		9.6	8.8	
Acquisition related costs	-2.7	-2.3		-2.9	-2.6	
Amortization of intangible assets <sup>1)</sup>	-1.2	-1.6		-2.6	-3.1	
Restructuring items	-2.0	-24.2		-6.3	-28.4	
Total items affecting comparability	-5.9	-28.1		-11.8	-34.1	
Operating profit	41.4	11.4	263	81.7	44.0	86
Financial income and expenses	-0.4	-2.4		1.3	-4.9	
Profit before tax	41.0	9.0	356	83.0	39.1	112
Tax	-11.8	-2.8		-24.5	-13.2	
Net profit	29.2	6.2	371	58.5	25.9	126
SEK M	Q2 2015	Q2 2014	Change, %	6M 2015	6M 2014	Change, %
Net profit	274	58	372	548	232	136
Trelleborg share, 50%	137	29	372	274	116	136

<sup>1)</sup> Related to split of acquisition balance.

Organic sales for the quarter rose by 4 percent year-on-year. All geographic markets, except South America, contributed positively to the sales trend. As a comparison, global automotive production is estimated to be in line with the year-earlier period (pos: 0.1 percent).

Operating profit developed well compared with the year-earlier period, mainly due to higher volumes, effective cost control and effects of the ongoing restructuring projects in the European operations. The weak market trend in Brazil continued to negatively impact profit. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of more than EUR 4 M on operating profit. The operating margin was 9.6 percent (8.9). Both operating profit and margin were the highest to date for a single quarter.

Cash flow was positive for the quarter, but lower than the year-earlier period, mainly on account of a considerably higher pace of investment in the current year.

Restructuring costs, reported within items affecting comparability, relate to previously announced restructuring programs and are in line with the communicated full-year levels.

During the quarter, Frank Müller assumed the position as the new CEO for TrelleborgVibracoustic. A decision was made to build another production facility in China to meet the company's received orders. This will be located in Chongqing and will be the third production facility in China for TrelleborgVibracoustic.

**Other key figures TrelleborgVibracoustic**

<b>EUR M</b>	<b>Q2 2015</b>	<b>Q2 2014</b>	<b>Change, %</b>	<b>6M 2015</b>	<b>6M 2014</b>	<b>Change, %</b>
EBITDA	64.4	53.1	21	125.3	107.0	17
Operating cashflow	29.3	40.6	-28	5.5	61.1	-91
Capital employed				537.6	451.2	
Net debt				19.5	49.3	
Equity				512.7	396.9	
Debt/equity ratio, %				3.8	12.4	
Net Debt/EBITDA				0.1	0.2	

## Financial statements

### Income Statements <sup>1)</sup>

SEK M	Q2 2015	Q2 2014	6M 2015	6M 2014	R12 2015	12M 2014
Net sales	6,531	5,726	12,901	11,323	24,111	22,533
Cost of goods sold	-4,332	-3,767	-8,583	-7,492	-16,117	-15,026
<b>Gross profit</b>	<b>2,199</b>	<b>1,959</b>	<b>4,318</b>	<b>3,831</b>	<b>7,994</b>	<b>7,507</b>
Selling expenses	-537	-486	-1,062	-946	-1,997	-1,881
Administrative expenses	-694	-604	-1,356	-1,181	-2,593	-2,418
Research and development costs	-95	-87	-191	-176	-363	-348
Other operating income/expenses	9	19	6	52	94	140
Profit from TrelleborgVibracoustic	191	42	388	175	658	445
Tax related to TrelleborgVibracoustic	-54	-13	-114	-59	-202	-147
Share in TrelleborgVibracoustic	137	29	274	116	456	298
Profit from associated companies	1	1	1	1	1	1
Items affecting comparability	-23	-99	-58	-117	-167	-226
<b>Operating profit</b>	<b>997</b>	<b>732</b>	<b>1,932</b>	<b>1,580</b>	<b>3,425</b>	<b>3,073</b>
Financial income and expenses	-41	-33	-76	-67	-143	-134
<b>Profit before tax</b>	<b>956</b>	<b>699</b>	<b>1,856</b>	<b>1,513</b>	<b>3,282</b>	<b>2,939</b>
Tax	-200	-169	-411	-360	-754	-703
<b>Net profit in continuing operations</b>	<b>756</b>	<b>530</b>	<b>1,445</b>	<b>1,153</b>	<b>2,528</b>	<b>2,236</b>
Net profit in discontinuing operations	-	-	-	-	-9	-9
<b>Total net profit</b>	<b>756</b>	<b>530</b>	<b>1,445</b>	<b>1,153</b>	<b>2,519</b>	<b>2,227</b>
- equity holders of the parent company	755	528	1,443	1,149	2,515	2,221
- non-controlling interest	1	2	2	4	4	6
<b>Earnings per share, SEK</b>	<b>Q2 2015</b>	<b>Q2 2014</b>	<b>6M 2015</b>	<b>6M 2014</b>	<b>R12 2015</b>	<b>12M 2014</b>
Continuing operations	2.78	1.95	5.32	4.24	9.31	8.23
Discontinuing operations	0.00	0.00	0.00	0.00	-0.03	-0.03
<b>Group, total</b>	<b>2.78</b>	<b>1.95</b>	<b>5.32</b>	<b>4.24</b>	<b>9.28</b>	<b>8.20</b>
Continuing operations, excluding items affecting comparability	2.84	2.20	5.48	4.54	9.82	8.88
<b>Number of shares</b>						
End of period	271,071,783	271,071,783	271,071,783	271,071,783	271,071,783	271,071,783
Average number	271,071,783	271,071,783	271,071,783	271,071,783	271,071,783	271,071,783

<sup>1)</sup> To harmonize the reporting within Trelleborg's business areas, minor adjustments have been made in the classification of some income and expenses in the Income Statement, see further [www.trelleborg.com/en/About-us/Corporate-Governance](http://www.trelleborg.com/en/About-us/Corporate-Governance), section Accounting principles.

### Statements of comprehensive income

SEK M	Q2 2015	Q2 2014	6M 2015	6M 2014	R12 2015	12M 2014
<b>Total net profit</b>	<b>756</b>	<b>530</b>	<b>1,445</b>	<b>1,153</b>	<b>2,519</b>	<b>2,227</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to the income statement</b>						
Reassessment of net pension obligation	1	-23	1	-23	-46	-70
	1	-23	1	-23	-46	-70
<b>Items that may be reclassified to the income statement</b>						
Cash flow hedges	70	-37	49	-47	-12	-108
Hedging of net investment	160	-374	-84	-397	-708	-1,021
Translation difference	-508	821	85	898	1,429	2,242
Income tax relating to components of other comprehensive income	-46	84	14	88	168	242
Other comprehensive income relating to TrelleborgVibracoustic	-114	73	-23	73	220	316
	-438	567	41	615	1,097	1,671
<b>Other comprehensive income, net of tax</b>	<b>-437</b>	<b>544</b>	<b>42</b>	<b>592</b>	<b>1,051</b>	<b>1,601</b>
<b>Total comprehensive income</b>	<b>319</b>	<b>1,074</b>	<b>1,487</b>	<b>1,745</b>	<b>3,570</b>	<b>3,828</b>

**Balance Sheets**

<b>Group</b>	<b>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>
<b>SEK M</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Property, plant and equipment	6,172	5,406	6,088
Intangible assets	11,959	9,614	11,801
Shares in TrelleborgVibracoustic and associated companies	3,859	3,310	3,605
Other financial assets	998	872	1,036
<b>Total non-current assets</b>	<b>22,988</b>	<b>19,202</b>	<b>22,530</b>
Inventories	3,946	3,531	3,733
Current operating receivables	6,170	5,768	5,423
Current interest-bearing receivables	217	252	240
Cash and cash equivalents	1,246	1,083	1,141
<b>Total current assets</b>	<b>11,579</b>	<b>10,634</b>	<b>10,537</b>
<b>Total assets</b>	<b>34,567</b>	<b>29,836</b>	<b>33,067</b>
Equity holders of the parent company	18,236	15,692	17,767
Non-controlling interest	4	49	9
<b>Total equity</b>	<b>18,240</b>	<b>15,741</b>	<b>17,776</b>
Non-current interest-bearing liabilities	4,842	3,354	4,223
Other non-current liabilities	1,136	954	1,089
<b>Total non-current liabilities</b>	<b>5,978</b>	<b>4,308</b>	<b>5,312</b>
Interest-bearing current liabilities	4,875	4,538	4,493
Other current liabilities	5,474	5,249	5,486
<b>Total current liabilities</b>	<b>10,349</b>	<b>9,787</b>	<b>9,979</b>
<b>Total equity and liabilities</b>	<b>34,567</b>	<b>29,836</b>	<b>33,067</b>

<b>Specification of changes in equity</b>	<b>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>
<b>SEK M</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
<i>Attributable to equity holders of the parent company</i>			
Opening balance, January 1	17,767	14,833	14,833
Total comprehensive income	1,486	1,740	3,819
Acquisitions	-	-	-4
Dividend	-1,017	-881	-881
<b>Closing balance</b>	<b>18,236</b>	<b>15,692</b>	<b>17,767</b>
<i>Attributable to non-controlling interest</i>			
Opening balance, January 1	9	44	44
Total comprehensive income	1	5	9
Acquisitions	-6	-	-42
Dividend	-	0	-2
<b>Closing balance</b>	<b>4</b>	<b>49</b>	<b>9</b>
<b>Sum total equity, closing balance</b>	<b>18,240</b>	<b>15,741</b>	<b>17,776</b>



**Cash flow statements**

<b>Group, SEK M</b>	<b>Q2 2015</b>	<b>Q2 2014</b>	<b>6M 2015</b>	<b>6M 2014</b>	<b>R12 2015</b>	<b>12M 2014</b>
<b>Operating activities</b>						
Operating profit incl part in joint venture/associated companies	997	732	1,932	1,580	3,425	3,073
Adjustments for items not included in cash flow:						
Depreciation, property, plant and equipment	177	159	356	311	679	634
Amortization, intangible assets	25	13	49	25	88	64
Impairment losses, property, plant and equipment	-	27	0	28	14	42
Dividend from joint venture/associated companies	0	1	0	1	131	132
Part in joint venture/associated companies and other non cash-flow affecting items	-140	-28	-277	-117	-466	-306
Cash-flow effects from items affecting comparability	4	0	4	0	17	13
Operating activities in discontinuing operations	0	-	0	-	-8	-8
Interest received and other financial items	8	9	17	16	36	35
Interest paid and other financial items	-15	-13	-102	-84	-163	-145
Taxes paid	-136	-123	-205	-247	-585	-627
<b>Cash flow from operating activities before changes in working capital</b>	<b>920</b>	<b>777</b>	<b>1,774</b>	<b>1,513</b>	<b>3,168</b>	<b>2,907</b>
Cash flow from changes in working capital:						
Change in inventories	-60	-105	-165	-209	-44	-88
Change in operating receivables	-93	7	-770	-608	176	338
Change in operating liabilities	-50	-135	-70	147	-459	-242
Change in working capital in discontinuing operations	0	-	0	-	8	8
Change in items affecting comparability	-2	23	3	7	-39	-35
<b>Cash flow from operating activities</b>	<b>715</b>	<b>567</b>	<b>772</b>	<b>850</b>	<b>2,810</b>	<b>2,888</b>
<b>Investing activities</b>						
Acquisitions	-81	-82	-104	-235	-1,781	-1,912
Discontinuing operations	27	-	27	-	48	21
Capital expenditure, property, plant and equipment	-274	-194	-443	-324	-1,081	-962
Capital expenditure, intangible assets	-21	-10	-29	-20	-72	-63
Sale of non-current assets	19	0	21	2	40	21
<b>Cash flow from investing activities</b>	<b>-330</b>	<b>-286</b>	<b>-528</b>	<b>-577</b>	<b>-2,846</b>	<b>-2,895</b>
<b>Financing activities</b>						
Change in interest-bearing investments	135	-260	-168	-229	-459	-520
Change in interest-bearing liabilities	639	903	1,016	983	1,567	1,534
Dividend - equity holders of the parent company	-1,017	-881	-1,017	-881	-1,017	-881
Dividend - non-controlling interest	-	0	-	0	-2	-2
<b>Cash flow from financing activities</b>	<b>-243</b>	<b>-238</b>	<b>-169</b>	<b>-127</b>	<b>89</b>	<b>131</b>
<b>Cash flow for the period</b>	<b>142</b>	<b>43</b>	<b>75</b>	<b>146</b>	<b>53</b>	<b>124</b>
Cash and cash equivalents:						
At beginning of the period	1,152	1,000	1,141	893	1,083	893
Exchange rate differences	-48	40	30	44	110	124
<b>Cash and cash equivalents at end of period</b>	<b>1,246</b>	<b>1,083</b>	<b>1,246</b>	<b>1,083</b>	<b>1,246</b>	<b>1,141</b>

TRELLEBORG AB – SECOND QUARTER 2015

SEK M	Q2 2015	Q2 2014	6M 2015	6M 2014	R12 2015	12M 2014
<b>Net sales</b>						
Trelleborg Coated Systems	672	475	1,355	948	2,339	1,932
Trelleborg Industrial Solutions	1,358	1,226	2,698	2,409	5,245	4,956
Trelleborg Offshore & Construction	1,174	967	2,163	1,826	4,034	3,697
Trelleborg Sealing Solutions	2,129	1,957	4,333	3,874	8,107	7,648
Trelleborg Wheel Systems	1,136	1,057	2,258	2,183	4,242	4,167
Group items	149	135	276	276	480	480
Eliminations	-87	-91	-182	-193	-336	-347
<b>Total</b>	<b>6,531</b>	<b>5,726</b>	<b>12,901</b>	<b>11,323</b>	<b>24,111</b>	<b>22,533</b>
<b>Operating profit</b>						
Trelleborg Coated Systems	87	60	177	121	283	227
Trelleborg Industrial Solutions	154	135	295	252	572	529
Trelleborg Offshore & Construction	68	93	76	157	200	281
Trelleborg Sealing Solutions	496	454	1,021	890	1,861	1,730
Trelleborg Wheel Systems	125	147	241	295	450	504
Group items	-47	-87	-94	-134	-230	-270
<b>Total</b>	<b>883</b>	<b>802</b>	<b>1,716</b>	<b>1,581</b>	<b>3,136</b>	<b>3,001</b>
<b>Operating margin, %</b>						
Trelleborg Coated Systems	12.9	12.5	13.0	12.7	12.1	11.8
Trelleborg Industrial Solutions	11.4	11.0	10.9	10.4	10.9	10.7
Trelleborg Offshore & Construction	5.8	9.7	3.5	8.6	4.9	7.6
Trelleborg Sealing Solutions	23.3	23.2	23.6	23.0	23.0	22.6
Trelleborg Wheel Systems	11.0	13.9	10.7	13.5	10.6	12.1
<b>Total</b>	<b>13.5</b>	<b>14.0</b>	<b>13.3</b>	<b>14.0</b>	<b>13.0</b>	<b>13.3</b>

Net sales per market, share and organic growth, %	Q2 2015	Q2 2014	6M 2015	6M 2014
Western Europe (51%)	2	-10	-2	-7
Other Europe (6%)	-10	7	-9	14
North America (22%)	-8	11	-4	7
South and Central America (4%)	23	22	21	24
Asia and other markets (17%)	-3	9	-4	13
<b>Total (100% refer to share 2014)</b>	<b>-1</b>	<b>-1</b>	<b>-2</b>	<b>1</b>

Net sales per market excl. project related, organic growth, %	Q2 2015	Q2 2014	6M 2015	6M 2014
Western Europe	-3	-6	-5	-3
Other Europe	3	7	3	7
North America	-4	4	-4	3
South and Central America	0	-15	-7	-9
Asia and other markets	-3	19	3	19
<b>Total</b>	<b>-3</b>	<b>0</b>	<b>-3</b>	<b>1</b>

Exchange rate differences impacting operating profit <sup>1)</sup> , SEK M	Q2 2015	Q2 2014	6M 2015	6M 2014	R12 2015	12M 2014
Trelleborg Coated Systems	10	1	23	1	30	8
Trelleborg Industrial Solutions	14	6	30	9	42	21
Trelleborg Offshore & Construction	9	5	11	6	22	17
Trelleborg Sealing Solutions	47	14	106	21	156	71
Trelleborg Wheel Systems	18	1	35	3	52	20
Group items	2	0	0	-1	-1	-2
<b>Total</b>	<b>100</b>	<b>27</b>	<b>205</b>	<b>39</b>	<b>301</b>	<b>135</b>

<sup>1)</sup> Impact on operating result in translation of foreign subsidiaries. The comparison is done using exchange rates from the year-earlier period. Excluding items affecting comparability and participation in TrelleborgVibracoustic.

TRELLEBORG AB – SECOND QUARTER 2015

<b>SEK M</b>	<b>Q2 2015</b>	<b>Q1 2015</b>	<b>Q4 2014</b>	<b>Q3 2014</b>	<b>Q2 2014</b>	<b>Q1 2014</b>	<b>Q4 2013</b>	<b>Q3 2013</b>	<b>Q2 2013</b>
<b>Net sales</b>									
Trelleborg Coated Systems	672	683	542	442	475	473	464	435	477
Trelleborg Industrial Solutions	1,358	1,340	1,280	1,267	1,226	1,183	1,120	1,127	1,189
Trelleborg Offshore & Construction	1,174	989	954	917	967	859	840	913	978
Trelleborg Sealing Solutions	2,129	2,204	1,845	1,929	1,957	1,917	1,723	1,787	1,833
Trelleborg Wheel Systems	1,136	1,122	976	1,008	1,057	1,126	959	1,010	1,111
Group items	149	127	70	134	135	141	133	129	162
Eliminations	-87	-95	-75	-79	-91	-102	-94	-95	-122
<b>Total</b>	<b>6,531</b>	<b>6,370</b>	<b>5,592</b>	<b>5,618</b>	<b>5,726</b>	<b>5,597</b>	<b>5,145</b>	<b>5,306</b>	<b>5,628</b>
<b>Operating profit</b>									
Trelleborg Coated Systems	87	90	63	43	60	61	55	30	52
Trelleborg Industrial Solutions	154	141	141	136	135	117	96	123	111
Trelleborg Offshore & Construction	68	8	53	71	93	64	70	76	81
Trelleborg Sealing Solutions	496	525	407	433	454	436	332	386	416
Trelleborg Wheel Systems	125	116	103	106	147	148	92	117	137
Group items	-47	-47	-77	-59	-87	-47	-82	-44	-74
<b>Total</b>	<b>883</b>	<b>833</b>	<b>690</b>	<b>730</b>	<b>802</b>	<b>779</b>	<b>563</b>	<b>688</b>	<b>723</b>
<b>Operating margin, %</b>									
Trelleborg Coated Systems	12.9	13.2	11.8	9.7	12.5	13.0	11.8	6.7	11.0
Trelleborg Industrial Solutions	11.4	10.5	11.0	10.8	11.0	9.9	8.5	10.9	9.3
Trelleborg Offshore & Construction	5.8	0.8	5.5	7.7	9.7	7.4	8.4	8.3	8.2
Trelleborg Sealing Solutions	23.3	23.8	22.1	22.4	23.2	22.7	19.3	21.6	22.7
Trelleborg Wheel Systems	11.0	10.3	10.5	10.6	13.9	13.1	9.6	11.5	12.4
<b>Total</b>	<b>13.5</b>	<b>13.1</b>	<b>12.3</b>	<b>13.0</b>	<b>14.0</b>	<b>13.9</b>	<b>11.0</b>	<b>13.0</b>	<b>12.8</b>
Items affecting comparability	-23	-35	-68	-41	-99	-18	-68	-101	-204
Profit from TrelleborgVibracoustic	191	197	115	155	42	133	123	25	97
Tax related to TrelleborgVibracoustic	-54	-60	-43	-45	-13	-46	-42	-13	-34
Share in TrelleborgVibracoustic	137	137	72	110	29	87	81	12	63
<b>Operating profit</b>	<b>997</b>	<b>935</b>	<b>694</b>	<b>799</b>	<b>732</b>	<b>848</b>	<b>576</b>	<b>599</b>	<b>582</b>

TRELLEBORG AB – SECOND QUARTER 2015

<b>Income Statements, SEK M</b>	<b>Q2 2015</b>	<b>Q1 2015</b>	<b>Q4 2014</b>	<b>Q3 2014</b>	<b>Q2 2014</b>	<b>Q1 2014</b>	<b>Q4 2013</b>	<b>Q3 2013</b>	<b>Q2 2013</b>
Net sales	6,531	6,370	5,592	5,618	5,726	5,597	5,145	5,306	5,628
Cost of goods sold	-4,332	-4,251	-3,779	-3,755	-3,767	-3,725	-3,358	-3,492	-3,702
<b>Gross profit</b>	<b>2,199</b>	<b>2,119</b>	<b>1,813</b>	<b>1,863</b>	<b>1,959</b>	<b>1,872</b>	<b>1,787</b>	<b>1,814</b>	<b>1,926</b>
Selling expenses	-537	-525	-467	-468	-486	-460	-534	-522	-538
Administrative expenses	-694	-662	-626	-611	-604	-577	-617	-559	-599
Research and development costs	-95	-96	-88	-84	-87	-89	-84	-75	-77
Other operating income/costs	9	-3	59	29	19	33	10	30	10
Profit from TrelleborgVibracoustic	191	197	115	155	42	133	123	25	97
Tax related to TrelleborgVibracoustic	-54	-60	-43	-45	-13	-46	-42	-13	-34
Share in TrelleborgVibracoustic	137	137	72	110	29	87	81	12	63
Profit from associated companies	1	0	-1	1	1	0	1	0	1
Items affecting comparability	-23	-35	-68	-41	-99	-18	-68	-101	-204
<b>Operating profit</b>	<b>997</b>	<b>935</b>	<b>694</b>	<b>799</b>	<b>732</b>	<b>848</b>	<b>576</b>	<b>599</b>	<b>582</b>
Financial income and expenses	-41	-35	-33	-34	-33	-34	-42	-81	-32
<b>Profit before tax</b>	<b>956</b>	<b>900</b>	<b>661</b>	<b>765</b>	<b>699</b>	<b>814</b>	<b>534</b>	<b>518</b>	<b>550</b>
Tax	-200	-211	-161	-182	-169	-191	-136	-136	-165
<b>Net profit in continuing operations</b>	<b>756</b>	<b>689</b>	<b>500</b>	<b>583</b>	<b>530</b>	<b>623</b>	<b>398</b>	<b>382</b>	<b>385</b>
Net profit in discontinuing operations	-	-	1	-10	-	-	-39	-	-
<b>Total net profit</b>	<b>756</b>	<b>689</b>	<b>501</b>	<b>573</b>	<b>530</b>	<b>623</b>	<b>359</b>	<b>382</b>	<b>385</b>
- equity holders of the parent company	755	688	501	571	528	621	356	380	384
- non-controlling interest	1	1	0	2	2	2	3	2	1

<b>Earnings per share, SEK</b>	<b>Q2 2015</b>	<b>Q1 2015</b>	<b>Q4 2014</b>	<b>Q3 2014</b>	<b>Q2 2014</b>	<b>Q1 2014</b>	<b>Q4 2013</b>	<b>Q3 2013</b>	<b>Q2 2013</b>
Continuing operations	2.78	2.54	1.84	2.15	1.95	2.29	1.46	1.40	1.41
Discontinued operations	0.00	0.00	0.01	-0.04	0.00	0.00	-0.15	0.00	0.00
<b>Group, total</b>	<b>2.78</b>	<b>2.54</b>	<b>1.85</b>	<b>2.11</b>	<b>1.95</b>	<b>2.29</b>	<b>1.31</b>	<b>1.40</b>	<b>1.41</b>
Continuing operations, excluding items affecting comparability	2.84	2.64	2.03	2.31	2.20	2.34	1.71	1.67	2.12

## Acquisitions

### Carrying amounts of identifiable acquired assets and assumed liabilities

SEK M	6M 2015	6M 2014
Intangible assets	13	10
Property, plant and equipment <sup>1)</sup>	-17	118
Deferred tax assets	3	-
Inventories	17	20
Operating receivables	10	64
Current tax asset	-	1
Cash and cash equivalents	13	2
Non-controlling interests	7	-
Deferred tax liabilities	-1	-3
Interest-bearing liabilities	0	-39
Post employment benefits	-13	-1
Provision obligations	-	-2
Current tax liability	0	0
Operating liabilities	-14	-53
<b>Net assets</b>	<b>18</b>	<b>117</b>
Goodwill	99	81
<b>Total purchase price</b>	<b>117</b>	<b>198</b>
Cash and other net debt in acquired operations	-13	37
<b>Impact shown in cash flow statement</b>	<b>104</b>	<b>235</b>

<sup>1)</sup> The negative amount in 2015 relates to adjustments of opening balance in acquisitions made during 2014.

### 2015, second quarter

#### Acquisition of outstanding shares in liquid silicone rubber operation in April

Trelleborg Sealing Solutions utilized an option from 2011 to acquire the outstanding 50 percent of the shares in Trelleborg Sealing Solutions Silcotech Bulgaria OOD, with a production unit in Pernik, Bulgaria. Its main focus is the production of precision molded seals in liquid silicone rubber (LSR) for various industries, including baby care and food processing. The transaction is part of Trelleborg's strategy to strengthen its positions in attractive market segments. The business was already fully consolidated.

#### Acquisition of agricultural tire business in April

Trelleborg Wheel Systems finalized the agreement to acquire Armstrong Tyres, an Australian service and distribution company of agricultural tires. The business specializes in tires and complete wheels for original equipment manufacturers (OEMs) and tractor dealers, and holds a market-leading position in Australia. The acquisition increases Trelleborg's presence in the Australian market and strengthens the base for the sale of tires to the aftermarket.

This acquisition is part of Trelleborg's strategy to strengthen its positions in attractive market segments.

### 2014, second quarter

#### Supplementary acquisition pertaining to Printec, Brazil, in April

Trelleborg acquired fixed assets linked to the Printec company acquired in Brazil in 2012/2013.

**The Group's financial assets and liabilities measured at fair value**

At June 30, 2015	Derivatives valued at fair value in profit and loss		Derivatives used for hedging purposes		Total
	Carrying amount	Measurement level	Carrying amount	Measurement level	
<b>SEK M</b>					
Other financial non-current assets	-		2	2	<b>2</b>
Accounts receivable and other receivables	2	2	37	2	<b>39</b>
Current interest-bearing receivables	20	2	63	2	<b>83</b>
<b>Total assets</b>	<b>22</b>		<b>102</b>		<b>124</b>
Other non-current liabilities	-		82	2	<b>82</b>
Interest-bearing current liabilities	57	2	14	2	<b>71</b>
Accounts payable and other liabilities	5	2	82	2	<b>87</b>
<b>Total liabilities</b>	<b>62</b>		<b>178</b>		<b>240</b>

At June 30, 2014	Derivatives valued at fair value in profit and loss		Derivatives used for hedging purposes		Total
	Carrying amount	Measurement level	Carrying amount	Measurement level	
<b>SEK M</b>					
Other financial non-current assets	-		7	2	<b>7</b>
Accounts receivable and other receivables	-2	2	16	2	<b>14</b>
Current interest-bearing receivables	154	2	1	2	<b>155</b>
<b>Total assets</b>	<b>152</b>		<b>24</b>		<b>176</b>
Other non-current liabilities	-		68	2	<b>68</b>
Interest-bearing current liabilities	3	2	187	2	<b>190</b>
Accounts payable and other liabilities	1	2	58	2	<b>59</b>
<b>Total liabilities</b>	<b>4</b>		<b>313</b>		<b>317</b>

**Valuation techniques used to derive Level 2 fair values**

Level 2 derivatives comprise forward foreign contracts and interest rate swaps and are used mainly for hedging purposes but also for proprietary trading. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

**Disclosure of fair value for debt and other financial instruments**

All debt bears variable interest and the recognized amounts for interest-bearing liabilities are deemed to correspond to their fair value. For other financial instruments the recognized amounts are also deemed to correspond to their fair value.

## Parent Company

<b>Income statements, SEK M</b>	<b>Q2 2015</b>	<b>Q2 2014</b>	<b>6M 2015</b>	<b>6M 2014</b>	<b>R12 2015</b>	<b>12M 2014</b>
Administrative expenses	-70	-62	-123	-120	-243	-240
Other operating income	233	227	281	260	241	220
Other operating expenses	-17	-13	-30	-26	-75	-71
<b>Operating profit</b>	<b>146</b>	<b>152</b>	<b>128</b>	<b>114</b>	<b>-77</b>	<b>-91</b>
Financial income and expenses	300	-66	169	-188	-364	-721
<b>Profit before tax</b>	<b>446</b>	<b>86</b>	<b>297</b>	<b>-74</b>	<b>-441</b>	<b>-812</b>
Appropriations	-	-	-	-	842	842
Tax	-5	3	27	48	-3	18
<b>Net profit</b>	<b>441</b>	<b>89</b>	<b>324</b>	<b>-26</b>	<b>398</b>	<b>48</b>

<b>Statements of comprehensive income, SEK M</b>	<b>Q2 2015</b>	<b>Q2 2014</b>	<b>6M 2015</b>	<b>6M 2014</b>	<b>R12 2015</b>	<b>12M 2014</b>
<b>Net profit</b>	<b>441</b>	<b>89</b>	<b>324</b>	<b>-26</b>	<b>398</b>	<b>48</b>
<b>Total comprehensive income</b>	<b>441</b>	<b>89</b>	<b>324</b>	<b>-26</b>	<b>398</b>	<b>48</b>

<b>Balance sheets</b>	<b>Jun 30</b>	<b>Jun 30</b>	<b>Dec 31</b>
<b>SEK M</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Property, plant and equipment	20	23	22
Intangible assets	3	5	4
Financial assets	35,777	36,052	35,719
<b>Total non-current assets</b>	<b>35,800</b>	<b>36,080</b>	<b>35,745</b>
Current receivables	92	84	64
Current tax asset	-	113	67
Interest-bearing receivables	-	-	297
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>92</b>	<b>197</b>	<b>428</b>
<b>Total assets</b>	<b>35,892</b>	<b>36,277</b>	<b>36,173</b>
Shareholders' equity	10,783	11,668	11,476
<b>Total equity</b>	<b>10,783</b>	<b>11,668</b>	<b>11,476</b>
Untaxed reserves	-	19	-
Interest-bearing non-current liabilities	4,378	33	4,379
Other non-current liabilities	15	16	16
<b>Total non-current liabilities</b>	<b>4,393</b>	<b>49</b>	<b>4,395</b>
Interest-bearing current liabilities	20,566	24,393	20,125
Other current liabilities	150	148	177
<b>Total current liabilities</b>	<b>20,716</b>	<b>24,541</b>	<b>20,302</b>
<b>Total equity and liabilities</b>	<b>35,892</b>	<b>36,277</b>	<b>36,173</b>

## Financial definitions

### Return on shareholders' equity, %

Profit for the period, attributable to shareholders of the Parent Company as a percentage of average shareholders' equity, excluding non-controlling interests.

### Return on capital employed, %

Operating profit divided by the average capital employed.

**EBITDA** Operating profit excluding depreciation and impairment of PPE and amortization of intangible assets.

**Free cash flow** Operating cash flow reduced by cash flow from financial items, taxes and the effect of restructuring measures on cash flow.

**Equity method** Shares in associated companies and joint ventures are recognized according to the equity method, in which the initial participation in the associated company/joint venture is adjusted to reflect the Group's participation in the profit of the company and any dividends.

**Cash conversion ratio** Operating cash flow as a percentage of operating profit.

**Net debt** Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents.

**Net debt/EBITDA** Net debt divided by EBITDA.

**Operating cash flow** EBITDA excluding other non-cash items, investments, sold non-current assets and changes in working capital. In the key figure, cash flow from restructuring is excluded.

**Earnings per share** Net profit for the period, attributable to shareholders of the Parent Company, divided by the average number of shares outstanding.

**Operating margin, %** Operating profit as a percentage of net sales.

**Operating profit** Operating profit as stated in the income statement.

**Debt/equity ratio, %** Net debt divided by total equity.

**Equity/assets ratio, %** Total equity divided by total assets.

**Capital employed** Total assets less interest-bearing financial assets and non interest-bearing operating liabilities (including pension liabilities) and excluding tax assets and tax liabilities.

## Glossary

**OEM** Original Equipment Manufacturer, the end producer of, for example, a tractor.

**Plastics** can be divided into two main groups: **Thermoplastics** are non-cross-linked plastics that are solid at room temperature but become soft and moldable when heated, and **Hard plastics** are cross-linked plastics that disintegrate upon heating and do not regain their properties.

**Polymer** The word is derived from the Greek "poly," meaning

"many" and "meros" meaning "parts." Polymers are made up of many small molecules – monomers – that are linked in long chains. Examples of polymers are plastics and rubber.

**Polymer technology** The technology relating to manufacturing processes for polymers in combination with their unique properties.

## Seasonal effects

The various market segments are subject to seasonal effects. Demand for the Group is normally higher in the first six months of the year than in the last six months.



## About Trelleborg

Trelleborg is a world leader in engineered polymer solutions that seal, damp and protect critical applications in demanding environments. Its innovative solutions accelerate performance for customers in a sustainable way.

### Business concept

Trelleborg's business concept is to seal, damp and protect in demanding industrial environments.

### Core strategy

Trelleborg's strategy is to secure leading positions in selected segments. This means that Trelleborg seeks segments, niches and product categories that – by virtue of the Group's market insights, core competencies and offering of advanced products and solutions – provide market leadership. In this manner, long-term shareholder value and added value are generated for customers. Trelleborg works with the strategy, both Group-wide and in the business areas, supported by four strategic cornerstones that – individually and in combination – underpin the strategy. The strategic cornerstones are: geographic balance, portfolio optimization, structural improvements and excellence.

### Value drivers

**Polymer engineering.** Within our selected segments, we have pioneered applied polymer-engineering and materials technology for more than a century.

**Local presence, global reach.** Wherever we conduct business, our teams act both as a local partner and leverage our global strength and capabilities.

**Application expertise.** We have leading-edge technology and in-depth understanding of the challenges our customers must overcome to seal, damp and protect their critical applications.

**Customer integration.** We always make it easy to do business with us, by integrating closely with markets and customers through multiple channels.

**Business accelerator.** We work as a proactive and long-term business partner, delivering solutions based on market foresight, contributing to better business for our customers.

### Trelleborg's market segments:

Market segment	Group total	Trelleborg Coated Systems	Trelleborg Industrial Solutions	Trelleborg Offshore & Construction	Trelleborg Sealing Solutions	Trelleborg Wheel Systems
General industry	37%	84%	64%		46%	
Capital-intensive industry	52%					
- Offshore oil & gas	12%		5%	58%	3%	
- Transportation equipment	14%	4%	9%		8%	47%
- Agriculture	11%				3%	53%
- Infrastructure construction	10%		12%	42%		
- Aerospace	5%	10%			14%	
Light vehicles	11%	2%	10%		26%	

Net sales per market segment 2014

## The Trelleborg Group's operations

### Continuing operations

Refers to operations within Trelleborg's five business areas: Trelleborg Coated Systems, Trelleborg Industrial Solutions, Trelleborg Offshore & Construction, Trelleborg Sealing Solutions and Trelleborg Wheel Systems. It also includes Group items defined as central staff functions and two operations, the first of which is Group-wide and the second of which is in the build-up and integration phase.

### TrelleborgVibracoustic

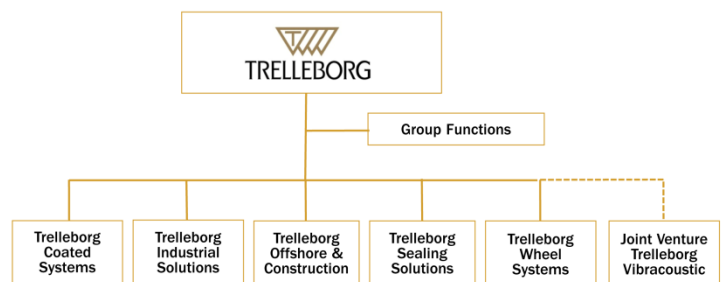
In July 2012, Trelleborg and Freudenberg formed a 50/50 joint venture in antivibration solutions for light and heavy vehicles, TrelleborgVibracoustic. The company is reported as a joint venture in the financial accounts and recognized in accordance with the equity method.

### Discontinued operations

Refers generally to operations that have been discontinued or are in the process of being divested.

### Group in total

The above three parts consolidated sum up to the Trelleborg Group in total.



## Invitation to a telephone conference on July 21 at 10:30 a.m. CET

A telephone conference will be held on July 21 at 10:30 a.m. CET. To participate in the telephone conference, call +46 (0)8-5664 2662 (Sweden), +44 203 428 1409 (U.K.) or +1 855 753 2236 (U.S.). Code: "Trelleborg". The conference will also be broadcast on the Internet in real time. Visit our website [www.trelleborg.com](http://www.trelleborg.com) for the Internet link and presentation materials.

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## Financial calendar

Interim report July-September 2015	October 22, 2015
Year-end report 2015	February 4, 2016
Annual report 2015	Week starting March 14, 2016
Interim report January-March 2016	April 21, 2016
Annual General Meeting 2016 (Trelleborg)	April 21, 2016
Interim report April-June 2016	July 19, 2016

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For information about the Trelleborg Group, Annual Reports, the stakeholder magazine *T-TIME* and other information, please visit the Group's website: [www.trelleborg.com](http://www.trelleborg.com) or download "Trelleborg IR" from the App Store or Google Play.



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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.

**This is information of the type that Trelleborg AB (publ) is obligated to disclose in accordance with the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was issued for publication on Tuesday, July 21, 2015, at 07:45 a.m. CET.**

This is a translation of the company's Interim Report in Swedish.