



Press release

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Leading positions and growth the theme of Trelleborg's Capital Markets Day 2007

"We seal, damp and protect in demanding environments. In this manner, we create customer value that also builds value for all other stakeholders." This was how Trelleborg's CEO Peter Nilsson opened Trelleborg AB's Capital Markets Day. The statement was also linked to the location, Dunkers Kulturhus in Helsingborg, which was named after Trelleborg's founder Henry Dunker and financed by Trelleborg's principal owner, the Dunker interests, through income from Trelleborg.

"Our overriding strategy to create value is to establish leading positions in carefully selected, attractive segments," said Peter Nilsson. "We work continuously to advance our positions by identifying attractive segments and positions, while exiting less profitable segments to free up resources for investments in more attractive areas. In this manner, we have in recent years, among other achievements, strengthened our positions in growth segments within offshore oil and gas extraction, infrastructure and selected industry segments."

"We will continue to prioritize our organic growth and acquisition-driven approach," he continued. Since 2005, the Group's sales have increased by about 30 percent. Peter Nilsson was particularly pleased with the organic growth, which amounted to 10 percent during the first three quarters of the year.

"Operational, commercial and financial excellence are important to strengthen positions," explains Peter Nilsson, who told the gathering that in the past year, the Group has initiated several efficiency enhancements of production, and has, among other measures, decided on the discontinuation of eight production units. He also announced the potential for further improvements and aggressive measures, including an investment of SEK 55 M in Trelleborg's facility in Lesina, in the Czech Republic, with the aim of creating a strategically located cutting-edge facility for mixing elastomers.

"Innovative thinking in all processes is a key factor. We shall have a culture that is driven by continuous development and we will control the Group using well-planned processes based on target-oriented leadership, common values and a clearly defined set of rules and regulations. This ensures long-term values for all stakeholders."

Peter Nilsson concluded his speech by highlighting the excellent platform upon which the Group stands through its strong positions within attractive segments, and the continued favorable opportunities for organic growth and consolidation that exist in the fragmented market.

Roger Johansson, who recently took over his post as President of the Automotive business area, said that the operational and strategic overview of Trelleborg Automotive, which was announced at the end of 2006, would continue. Within the parameters of this program, it was announced that a non-core operation in Coventry, in the UK, would now be divested. In addition, the development resources will be coordinated in a more efficient manner. Roger Johansson also announced several aggressive initiatives, including new investments in heavy trucks, favorable orders received in Asia and a joint venture with a leading Russian AVS company.



Accordingly, Trelleborg Automotive will be the first western supplier of antivibration components to establish itself in the strongly growing Russian market.

Lennart Johansson, who is responsible for the largest business area, Trelleborg Engineered Systems, presented a positive picture of the markets in which the business area is active. This is a trend that is also largely expected to continue, particularly in Asia. He also described the business area's consistent efforts to refine the product portfolio. This work, combined with a number of efficiency enhancements and an increased presence in Asia, has significantly improved Trelleborg Engineered System's growth and earnings in recent years.

Claus Barsøe, President of Trelleborg Sealing Solutions, gave an account of the systematic growth initiative that has expanded the operation from Europe to Asia and the US. This has improved the global balance of the business area. He also announced a completely new acquisition, Sealing Solutions Inc., the third of the year, which further strengthens the business area's presence within precision seals in the US. Additional new growth areas highlighted by Barsøe included Oil & Gas, Semiconductors and Medical. Furthermore, he had a positive view with regard to the market outlook for the majority of markets upon which Trelleborg Sealing Solutions focuses.

Maurizio Vischi, President of Trelleborg Wheel Systems, spoke of the significant earnings improvement attributable to such activities as the earlier successful restructuring of production of agricultural and forest tires. Consolidation is also currently in progress within industrial tires. Vischi reported on the development of high-performance tires, which, combined with consistent behavior and a global campaign, has clearly positioned Trelleborg Wheel Systems in the market.

The Group's CFO Bo Jacobsson announced that the Group's financial targets stand firm. He pointed out that improvements in margins were achieved through such measures as the shift toward more profitable segments and efficiency enhancements. Bo Jacobsson touched upon the exposure to various raw materials, about SEK 6 billion in 2006, with polymers representing approximately 80 percent and steel/metals about 20 percent. In a comment concerning the price trend for the Group's primary raw materials, he summarized by saying that the situation remained volatile with a modestly upward tendency at present. However, in the current situation, he did not expect this to have any substantial impact on the Group in its entirety.

In conclusion, the history of the company and Henry Dunker was presented by Trelleborg's majority owner, the Dunker interests, which was represented by the foundations' Chairman Didrik Normark. He presented the audience with a portrayal of the entrepreneur and industrialist Henry Dunker and gave an account of the foundations, their purposes and operations.

Further information can be obtained from Viktoria Bergman, Trelleborg's Senior Vice President, Corporate Communications, +46 (0)410-670 94, +46 (0)708-47 57 33, or from Mikael Byström, Trelleborg's Senior Vice President Investor Relations, +46 (0)410-670 37, +46 (0)708-55 21 69.

Trelleborg is a global industrial group whose leading positions are based on advanced polymer technology and in-depth applications know-how. Trelleborg develops high-performance solutions that seal, damp and protect in demanding industrial environments. The Trelleborg Group had annual sales 2006 of approximately SEK 27 billion, with about 24,000 employees in 40 countries. The Group comprises four business areas: Trelleborg Engineered Systems, Trelleborg Automotive, Trelleborg Sealing Solutions and Trelleborg Wheel Systems. The Trelleborg share has been listed on the Stockholm Stock Exchange since 1964 and is listed on the OMX Nordic List, large cap. www.trelleborg.com