



Press release

Trelleborg, May 31, 2016

Trelleborg's acquisition of CGS Holding finalized

Trelleborg has finalized the acquisition of CGS Holding a.s. – a privately-owned company with leading positions in agricultural, industrial and specialty tires as well as engineered polymer solutions. The total cash consideration amounted to approximately SEK 10.9 billion on a cash and debt-free basis. CGS is headquartered in the Czech Republic and generated sales of approximately SEK 5.6 billion in 2015 with an operating margin of 16.5 percent.

“It is highly gratifying to welcome CGS to the Trelleborg Group. The company has long been on our list of interesting acquisitions. The acquisition means that Trelleborg will almost double its sales in agricultural tires, strengthen its leading position in industrial tires and add new positions in complementary specialty tires segments. CGS's engineered polymer solutions add new interesting positions as well as strengthen Trelleborg's existing leading positions in several of the Group's current business areas,” says Peter Nilsson, President and CEO of Trelleborg.

CGS Holding includes the businesses Mitas, Rubena and Savatech. Mitas accounts for approximately two-thirds of group sales and has strong mid-market specialty tires brands with a particularly strong position within agricultural tires. The offering of specialty tires is complemented by Rubena's and Savatech's niche engineered polymer solutions businesses, including seals, sealing profiles, specialty molded products, printing blankets and other engineered fabrics.

“We are convinced the agricultural market will recover, enabling us to benefit from an attractive footprint when it does. Accordingly, we consider the purchase consideration to be attractive considering the expected synergies and the future recovery of the agricultural market,” concludes Peter Nilsson.

Mitas will be integrated into the Trelleborg Wheel Systems business area. During transition, other operations will be independent from Trelleborg's existing operations before being gradually integrated into current business areas.

Following the acquisition, Trelleborg will have sales of about SEK 30 billion, with about 23,000 employees in 47 countries.

The transaction will be consolidated from May 31, 2016. Non-recurring costs of approximately SEK 70 million, related to the acquisition, will be charged to the second quarter of 2016. Of this amount, about SEK 50 million will be charged against reported operating income and about 20 million will be charged to net financial items. No PPA effects are included in the above amounts.

The press release regarding the acquisition was published on November 9, 2015.

Trelleborg is a world leader in engineered polymer solutions that seal, damp and protect critical applications in demanding environments. Its innovative engineered solutions accelerate performance for customers in a sustainable way. The Trelleborg Group has annual sales of about SEK 30 billion in over 40 countries. The Group comprises five business areas: Trelleborg Coated Systems, Trelleborg Industrial Solutions, Trelleborg Offshore & Construction, Trelleborg Sealing Solutions and Trelleborg Wheel Systems, and the operations of Rubena and Savatech. In addition, the Trelleborg Group owns 50 percent of Vibracoustic, the global market leader within antivibration solutions for light and heavy vehicles. The Trelleborg share has been listed on the Stock Exchange since 1964 and is listed on Nasdaq Stockholm, Large Cap.

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