

An eventful quarter

- Net sales for the second quarter of 2016 were on par with the year-earlier period and amounted to SEK 6,544 M (6,531). Organic sales declined by 6 percent, mainly as a result of the foreseen downturn in deliveries to the oil & gas segment. Effects of structural changes made a positive contribution of 9 percent, of which CGS explained most of the increase. The effects of exchange rate movements were negative 3 percent.
- The acquisition of CGS was finalized during the quarter. One month's earnings for the acquired business are included in this interim report.
- EBIT, excluding items affecting comparability, rose by 2 percent to SEK 899 M (883), which was the Group's highest result to date for a quarter and equivalent to an EBIT margin of 13.7 percent (13.5).
- Items affecting comparability for the quarter amounted to an expense of SEK 107 M (expense: 23), including non-recurring expenses of SEK 49 M pertaining to the acquisition of CGS. In addition, net financial items were charged with financial non-recurring costs totaling SEK 20 M, which were attributable to the acquisition.
- Earnings per share for continuing operations totaled to SEK 1.98 (2.28) and were impacted by higher items affecting comparability in the quarter.
- Operating cash flow amounted to SEK 835 M (603), up 38 percent.

SEK M	Q2 2016	Q2 2015	Change, %	6M 2016	6M 2015	Change, %
Net sales	6,544	6,531	0	12,639	12,901	-2
Organic sales, %	-6	-1		-5	-2	
EBITA, excluding items affecting comparability	935	908	3	1,804	1,765	2
EBITA margin, %	14.3	13.9		14.3	13.7	
EBIT, excluding items affecting comparability	899	883	2	1,740	1,716	1
EBIT margin, %	13.7	13.5		13.8	13.3	
Items affecting comparability	-107	-23	-365	-222	-58	-283
EBIT	792	860	-8	1,518	1,658	-8
Profit before tax	729	819	-11	1,408	1,582	-11
Net profit, discontinuing operations ¹⁾	4,369	137	3,089	4,369	274	1,495
Net profit, Group	4,906	756	549	5,435	1,445	276
Earnings per share continuing operations, SEK	1.98	2.28	-13	3.93	4.31	-9
Earnings per share Group, SEK	18.10	2.78	551	20.05	5.32	277
Operating cash flow ²⁾	835	603	38	1,063	662	61

¹⁾ Relates to Vibracoustic

²⁾ Continuing operations

Discontinuing operations

- In late June 2016, Trelleborg received positive notifications from the relevant authorities to be able to finalize the divestment of Vibracoustic and thus reported the divestment during the second quarter. The total purchase consideration of approximately SEK 6.9 billion has been recognized as a financial receivable in this interim report. The transaction resulted in a capital gain of approximately SEK 4.1 billion¹⁾.
- A payment of approximately SEK 6.2 billion was received on July 5, 2016. The remaining SEK 0.7 billion of the purchase consideration is subject to Vibracoustic's forecast sales performance in 2016 and 2017.

¹⁾ Net profit in discontinuing operations is recognized in accordance with IFRS and amounted to SEK 4,369 M. This amount includes a capital gain of SEK 4,070 M and a reclassification of shareholders' equity of SEK 299 M. The net effect on shareholders' equity amounts to SEK 4,070 M.

An eventful quarter

“The second quarter was particularly eventful. The acquisition of CGS, which was announced at the end of 2015, was finalized during the period and the operations have been consolidated into our financial statements as of June. The integration of CGS into our existing operations has begun and is progressing well. Following the acquisition, Trelleborg’s annual sales amount to approximately SEK 30 billion on a pro forma basis.

We devoted considerable time during the quarter to complete the sale of our holding in Vibracoustic to our partner Freudenberg. The transaction has now been finalized and we can look back with satisfaction on the development of the joint venture. Following the divestment, we can give our undivided attention to developing our core operations.

During the quarter, the Group’s organic sales declined compared with both the preceding quarter and the second quarter of 2015. This downturn was mainly attributable to our oil & gas operation, where sales have decreased sharply as expected. Nevertheless, our operational control remains effective and we have proactively adapted our operations to the prevailing market situation. This is why the Trelleborg Offshore & Construction business area succeeded in delivering a profit, despite these challenging market conditions.

The underlying organic sales were slightly stronger than in the preceding quarter, when excluding these project transactions. However, our conclusion is that the market situation has not changed significantly in recent months.

The trend for general industry remains sluggish in several markets, particularly in the more capital-intensive sector. As in the past, our growth is instead being driven by sales to the automotive and aerospace industries, markets outside Western Europe and North America and by other targeted initiatives. We are also seeing indications that the trend in the agricultural market, which has long been negative, is beginning to stabilize, albeit at a low level.

We reported a strong EBIT for the quarter, particularly given the aforementioned market conditions, and achieved the highest quarterly result to date for the Group. Our EBIT margin improved compared with the corresponding quarter in the preceding year.

Naturally, the integration of CGS is now at the top of our agenda and we have identified significant coordination gains that we plan to leverage moving forward. We have also conducted other interesting acquisitions recently. For example, during the quarter we finalized the acquisition of SSF, a U.S.-based manufacturer of high-precision silicone components in the high-growth life sciences market, providing us with a strong platform for continued development in this attractive segment.

Once again, I can only describe future business trends as difficult to assess. In addition to low commodity prices and a weak general industry, the U.K.’s decisions to ultimately leave the EU has increased the prevailing economic uncertainty. Nevertheless, we will continue to focus on the factors we can influence and maintain a strong focus on cost control, cash flow and value creation in this unpredictable business environment.

Overall, we expect our markets to continue to moving laterally, or slightly downward, during the third quarter, mainly due to the continued decline of our oil & gas operation. We are continuously monitoring developments and are well prepared to adjust our various businesses to match fluctuating demand.”

Peter Nilsson, President and CEO

Market outlook for the third quarter of 2016

Demand is expected to be on a par with, or slightly weaker, than the second quarter of 2016, adjusted for seasonal variations.

Market outlook from the interim report published on April 21, 2016, relating to the second quarter of 2016

Demand is expected to be on a par with, or slightly weaker, than the first quarter of 2016, adjusted for seasonal variations.

Second quarter 2016

Net sales

SEK M, growth	Q2 2016	Q2 2015	6M 2016	6M 2015	R12 2016	12M 2015
Net sales	6,544	6,531	12,639	12,901	24,541	24,803
Change total, %	0	14	-2	14		10
Organic sales, %	-6	-1	-5	-2		-2
Structural change, %	9	4	5	4		2
Currency effects, %	-3	11	-2	12		10

Net sales for the second quarter of 2016 were on par with the year-earlier period and amounted to SEK 6,544 M (6,531). Organic sales declined by 6 percent during the quarter, mainly due to previously announced reduction in deliveries to the oil & gas segment. Effects from structural changes contributed 9 percent and exchange rate effects accounted for negative 3 percent compared with the year-earlier period.

Excluding project deliveries¹⁾: The Group's organic sales were on par the second quarter of 2015. Organic sales in Western Europe declined by 1 percent. In the rest of Europe, organic sales rose by 9 percent. Organic sales declined by 5 percent in North America and by 1 percent in South & Central America. In Asia and other markets, organic sales increased by 9 percent.

¹⁾ Project deliveries refer to the whole of Trelleborg Offshore & Construction and minor parts of Trelleborg Industrial Solutions' operations.

Result

SEK M	Q2 2016	Q2 2015	Change, %	6M 2016	6M 2015	Change, %
EBITA, excluding items affecting comparability	935	908	3	1,804	1,765	2
EBITA margin, %	14.3	13.9		14.3	13.7	
EBIT, excluding items affecting comparability	899	883	2	1,740	1,716	1
EBIT margin, %	13.7	13.5		13.8	13.3	
Items affecting comparability	-107	-23	-365	-222	-58	-283
EBIT	792	860	-8	1,518	1,658	-8
Financial income and expenses	-63	-41	-54	-110	-76	-45
Profit before tax	729	819	-11	1,408	1,582	-11
Taxes	-192	-200	4	-342	-411	17
Net profit, discontinuing operations ¹⁾	4,369	137	3,089	4,369	274	1,495
Net profit, Group	4,906	756	549	5,435	1,445	276

¹⁾ Relates to Vibracoustic

EBIT, excluding items affecting comparability, amounted to SEK 899 M (883) for the second quarter, a year-on-year increase of 2 percent. The total exchange rate effects on EBIT, excluding items affecting comparability, from the translation of foreign subsidiaries had a negative impact of SEK 32 M on earnings compared with the year-earlier period.

The integration of the CGS acquisition has begun. CGS has contributed positively to the Group's results and margin trend and the businesses' results are on par with the year-earlier levels.

Amortization of the surplus value from the acquisition of CGS had a negative impact of SEK 8.2 M on EBIT during the quarter, distributed as follows: SEK 5.6 M in the Trelleborg Wheel Systems business area and SEK 2.6 M in Rubena Savatech.

The EBIT margin, excluding items affecting comparability, amounted to 13.7 percent (13.5). Group-wide costs were higher than normal, due to a generally higher level of activity and acquisition-related expenses not attributable to the CGS acquisition.

EBITA, excluding items affecting comparability, totaled SEK 935 M (908).

The quarter was charged with items affecting comparability amounting to an expense of SEK 107 M (expense: 23), including previously announced non-recurring expenses of SEK 49 M pertaining to the acquisition of CGS. EBIT for the quarter amounted to SEK 792 M (860), down 8 percent.

The net financial expense was SEK 63 M (expense: 41), corresponding to an average interest rate of 2.3 percent (2.0), impacted by financial non-recurring items attributable to the acquisition of CGS of SEK 20 M.

Net profit in discontinuing operations amounted to SEK 4,369 M and pertained to the gain generated from the divestment of Vibracoustic.

Net profit for the Group totaled SEK 4,906 M (756). Excluding discontinuing operations, the tax rate was 26 percent (24).

Return on capital employed

%	R12 2016	R12 2015	12M 2015
Excluding items affecting comparability	13.6	14.9	14.3
Including items affecting comparability	11.9	14.1	13.2

Capital employed for continuing operations increased year-on-year to SEK 35,663 M (22,269), impacted by acquisitions carried out during the year. The return on capital employed,

excluding items affecting comparability, amounted to 13.6 percent (14.9).

Cash flow

SEK M	Q2 2016	Q2 2015	Change, %	6M 2016	6M 2015	Change, %
EBITDA, operating profit before depreciation	1,127	1,085	4	2,172	2,121	2
Capital expenditure	-210	-295	29	-404	-472	14
Sold non-current assets	4	19		13	21	
Change in working capital	-84	-203		-716	-1,005	
Dividend from associated companies	1	0		1	0	
Non cash-flow affecting items	-3	-3		-3	-3	
Operating cash flow	835	603	38	1,063	662	61
Cash impact from items affecting comparability	-122	-21		-185	-51	
Financial items	-4	-7		-100	-85	
Paid tax	-147	-136		-249	-205	
Free cash flow	562	439	28	529	321	65
Acquisitions	-11,801	-81		-11,981	-104	
Discontinuing operations	0	27		0	27	
Dividend - equity holders of the parent company	-1,084	-1,017		-1,084	-1,017	
Sum net cash flow	-12,323	-632	-1,850	-12,536	-773	-1,522

Operating cash flow during the second quarter amounted to SEK 835 M (603). A slightly lower rate of capital expenditure during the period compared with year-earlier period and positive change in working capital contributed to this improvement. The cash conversion ratio for the most recent 12-month period was 83 percent (78).

Free cash flow amounted to SEK 562 M (439).

The net cash flow amounted to a negative SEK 12,323 M (neg: 632) and was impacted in an amount of SEK 11,801 M (81) by acquisitions and in an amount of SEK 1,084 M (1,017) by dividends to shareholders.

Net debt

Change in net debt, SEK M	6M 2016	6M 2015	12M 2015
Net debt, opening balance	-6,282	-7,195	-7,195
Net cash flow for the period	-12,536	-773	1,144
Exchange rate differences	-169	-131	-231
Receivable related to the divestment of Vibracoustic	6,900	-	-
Net debt, closing balance	-12,087	-8,099	-6,282
Debt/equity ratio, %	52	44	34
Net debt/EBITDA			
Continuing operations, excluding items affecting comparability	2.9	2.1	1.5
Continuing operations, including items affecting comparability	3.2	2.2	1.6
Proforma continuing operations, including items affecting comparability and acquisitions	2.5	-	-
Total Group ¹⁾	1.5	2.0	1.4

¹⁾ 2016 includes the capital gain on the disposal of Vibracoustic

Since the beginning of the year, net debt has increased by SEK 5,805 M, affected by a negative net cash flow and negative exchange rate differences.

The payment for Vibracoustic was recognized as a financial receivable in the quarterly financial statements and thus impacted the Group's net debt. Approximately SEK 6.2 billion was received on July 5, 2016 and the remaining purchase consideration of SEK 0.7 billion is subject to Vibracoustic's forecast sales performance in 2016 and 2017.

The debt/equity ratio at the end of the period was 52 percent (44).

Net debt in relation to EBITDA, excluding items affecting comparability, amounted to 2.9 (2.1). The ratio for the Group as a whole, including the capital gain generated in connection with the divestment of Vibracoustic, was 1.5 (2.0). According to a pro forma calculation including rolling 12-month EBITDA for continuing operations and acquisitions carried out during the year, the underlying net debt in relation to EBITDA was 2.5.

Return on equity

%	R12 2016	R12 2015	12M 2015
Continuing operations, excluding items affecting comparability	11.0	13.0	12.5
Continuing operations, including items affecting comparability	9.6	12.2	11.5
Total Group ¹⁾	31.8	14.8	14.3

¹⁾ The underlying R12 value for 2016 includes 6 months associated income from Vibracoustic and capital gain from the disposal of Vibracoustic, whereas the comparative values include 12 months associated income.

Shareholders' equity for the Group at the close of the period amounted to SEK 23,268 M (18,622 at January 1). Equity per share amounted to SEK 86 (67), up 28 percent. The equity/assets ratio was 44 percent (53). The total return on

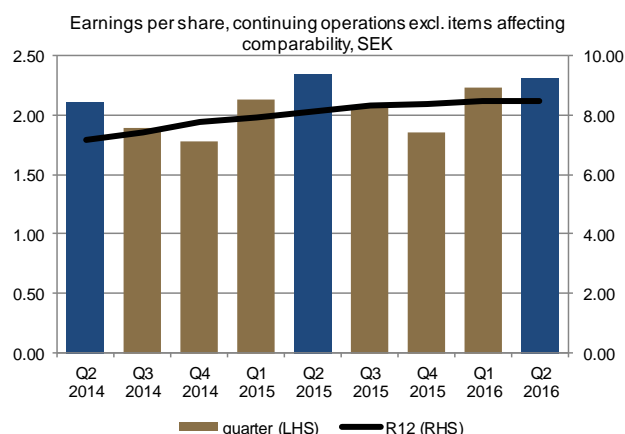
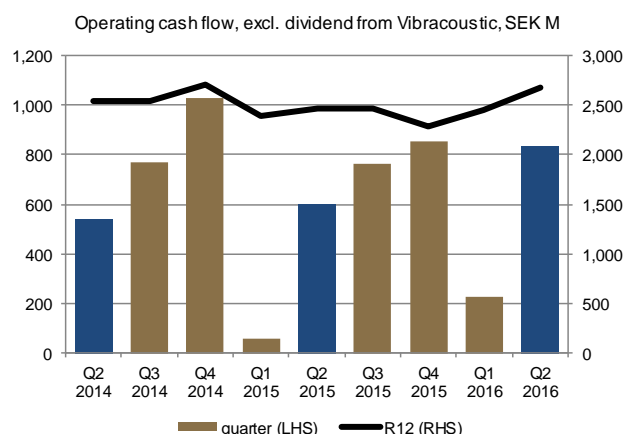
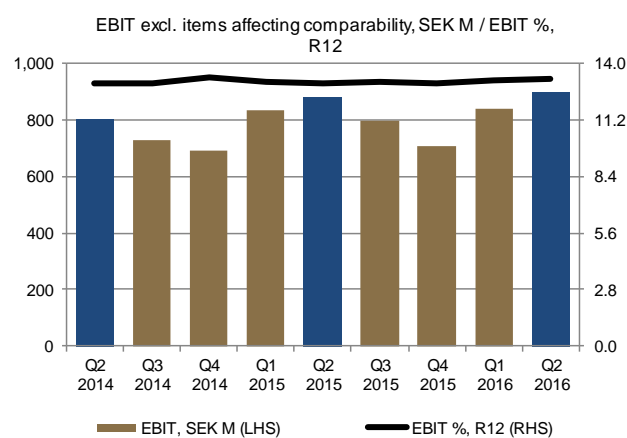
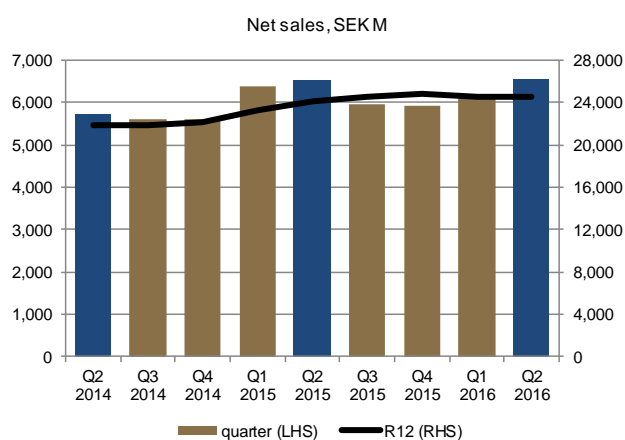
shareholders' equity for the Group was 31.8 percent (14.8), affected by the capital gain generated by the divestment of Vibracoustic.

Earnings per share

Earnings per share, SEK	Q2 2016	Q2 2015	6M 2016	6M 2015	R12 2016	12M 2015
Continuing operations	1.98	2.28	3.93	4.31	7.35	7.73
Discontinuing operations	16.12	0.50	16.12	1.01	16.99	1.88
Group, total	18.10	2.78	20.05	5.32	24.34	9.61
Continuing operations, excluding items affecting comparability	2.31	2.35	4.54	4.48	8.45	8.39

Earnings per share during the second quarter totaled SEK 1.98 (2.28). For the Group in total, earnings per share amounted to

SEK 18.10 (2.78) and were impacted by the capital gain generated in connection with the divestment of Vibracoustic.



January-June 2016

Net sales for the first six months of 2016 totaled SEK 12,639 M (12,901), down 2 percent year-on-year.

EBIT for the first six months of 2016 amounted to SEK 1,518 M (1,658).

The financial net expense was SEK 110 M (expense: 76), corresponding to an average interest rate of 2.4 percent (1.9), impacted by financial non-recurring items attributable to the acquisition of CGS.

Profit before tax totaled SEK 1,408 M (1,582).

Net profit in discontinuing operations amounted to SEK 4,369 M (274).

Net profit for the Group totaled SEK 5,435 M (1,445).

Total earnings per share for the Group were SEK 20.05 (5.32).

Significant events during the quarter

Agreement to sell shares in Vibracoustic to Freudenberg.

During the quarter, Trelleborg signed an agreement in principle and subsequently an agreement with Freudenberg to sell its shares in Vibracoustic to Freudenberg. In late June 2016, Trelleborg received positive notifications from the relevant authorities.

The transaction is based on an enterprise value of EUR 1.8 billion for Vibracoustic.

Trelleborg will receive a purchase consideration of approximately SEK 6.9 billion. A payment of about SEK 6.2 billion was received on July 5, 2016. The remaining amount of approximately SEK 0.7 billion is subject to Vibracoustic's forecast sales performance in 2016 and 2017. Consequently, the final consideration may be somewhat higher or lower than approximately SEK 6.9 billion. In addition to the purchase price, Trelleborg received a dividend of about SEK 1.4 billion in December 2015.

Press releases were published on April 7, 2016, and April 15, 2016, respectively.

Acquisition of CGS Holding finalized. During the quarter, Trelleborg finalized the acquisition of CGS Holding a.s., a privately owned company which holds leading positions in agricultural, industrial and specialty tires, and 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 EBIT margin of 16.5 percent.

CGS Holding includes the businesses Mitas, Rubena and

Savatech. Mitas will be integrated into the Trelleborg Wheel Systems business area. The other businesses will remain independent from Trelleborg's existing operations during a transition period, before being gradually integrated into the current business areas.

The transaction will be consolidated from May 31, 2016.

Press releases were published on November 9, 2015, and on May 30, 2016, respectively.

Acquisition of manufacturer of silicone components for the medical device market.

During the quarter, Trelleborg Sealing Solutions signed and finalized the acquisition of Specialty Silicone Fabricators Inc. (SSF), a U.S.-based privately owned manufacturer of high-precision silicone components for medical technology original equipment manufacturers (OEMs). The acquired company is a significant player in the important and high-growth U.S. life sciences market, providing Trelleborg with a strong platform for future development.

SSF is headquartered in Tustin, California, and has production facilities in Tustin and Paso Robles, California, as well as in Elk Rapids, Michigan. Sales amounted to approximately SEK 330 M in 2015. This bolt-on acquisition is part of Trelleborg's strategy to strengthen its positions in attractive market segments.

The transaction will be consolidated from June 30, 2016.

Press releases were published on June 13, 2016, and on July 1, 2016, respectively.

Significant events after the close of the period

Finalized divestment of shares in Vibracoustic to

Freudenberg. In late June 2016, Trelleborg received positive notifications from the relevant authorities to be able to finalize the divestment of Vibracoustic and thus reported the divestment during the second quarter.

A payment of about SEK 6.2 billion was received on July 5, 2016. The remaining amount of approximately SEK 0.7 billion is subject to Vibracoustic's forecast sales performance in 2016 and 2017. Accordingly, the final consideration may be somewhat higher or lower than approximately SEK 6.9 billion. In addition to the purchase price, Trelleborg received a dividend of approximately SEK 1.4 billion in December 2015.

A press release was published on July 7, 2016.

Risk management

Trelleborg serves a broad range of customers in a variety of market segments and niches. Sales, and thereby invoicing are made to approximately 140 countries worldwide and the Group has manufacturing operations at more than 100 production units in around 40 countries. Although the business is diversified, deploying several business models and operating a number of production units, and has an effective underlying spread of financial risks, a number of risks remain.

Trelleborg has identified nine large risks in five areas. These include risks that may result in damage or loss with substantial impact on the entire Group and therefore justify management of the risk exposure at Group level.

For information regarding the Group's risks, risk exposure and risk management, refer to the latest Trelleborg Annual Report, www.trelleborg.com and the information published 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 19, 2016
Trelleborg AB (publ)*

*Sören Mellstig
Chairman of the Board*

*Hans Biörck
Board Member*

*Jan Carlson
Board Member*

*Gunilla Fransson
Board Member*

*Johan Malmquist
Board Member and*

*Peter Nilsson
Board Member
President/CEO*

*Anne Mette Olesen
Board Member*

*Bo Risberg
Board Member*

*Susanne Pahlén Åklundh
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 except as regards the accounting of Vibracoustic. As from the first quarter of 2016, the equity method is no longer applicable. Instead IFRS 5 is applied and recognition occurs under discontinuing operations.

New and amended standards applied from January 1, 2016

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

This report has not been subject to special review by the company's auditor.



Trelleborg

BUSINESS AREA

Coated Systems

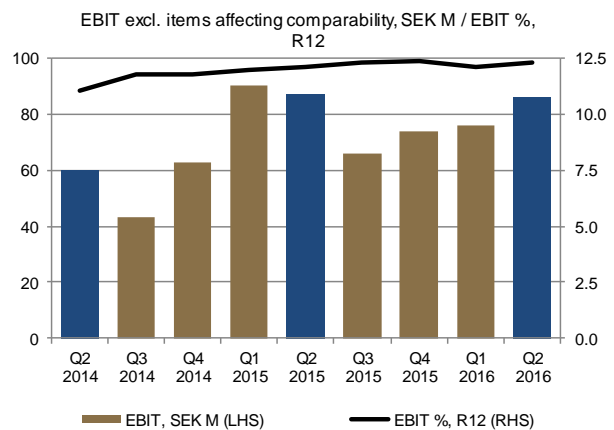
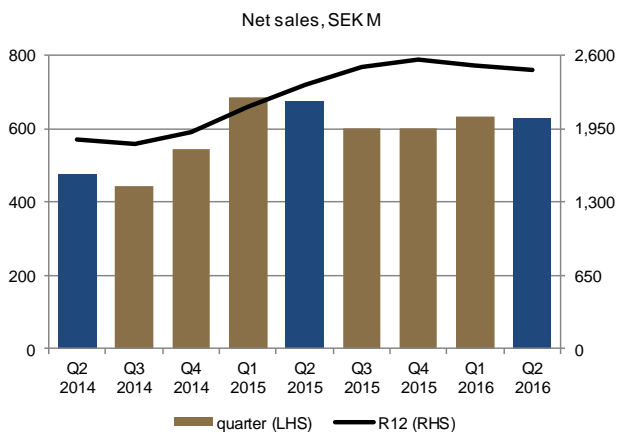
Trelleborg Coated Systems is a leading global supplier of unique customer solutions for polymer-coated fabrics deployed in several industrial applications.

Excluding items affecting comparability, SEK M	Q2 2016	Q2 2015	Change, %	6M 2016	6M 2015	Change, %
Net sales	628	672	-7	1,259	1,355	-7
Change total, %	-7	41		-7	43	
Organic sales, %	-5	0		-6	0	
Structural change, %	-	24		-	24	
Currency effects, %	-2	17		-1	19	
EBIT	86	87	-1	162	177	-8
EBIT, %	13.7	12.9		12.9	13.0	

Additional key ratios on pages 17 - 18

Organic sales for the quarter declined by 5 percent year-on-year. Organic sales of coated fabrics decreased compared with the year-earlier period, with stronger sales in Asia counterbalancing a weaker trend in both Europe and North America. Overall demand from the automotive and aerospace industry was favorable, while a weak trend was noted for general industry. Organic sales of printing blankets remained unchanged, with stronger sales to Europe and Asia offsetting lower sales in North and South America.

EBIT was on par with the corresponding period in 2015. The EBIT margin improved as a result of favorable cost control and the implementation of restructuring measures. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 2 M on earnings compared with the year-earlier period.





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.

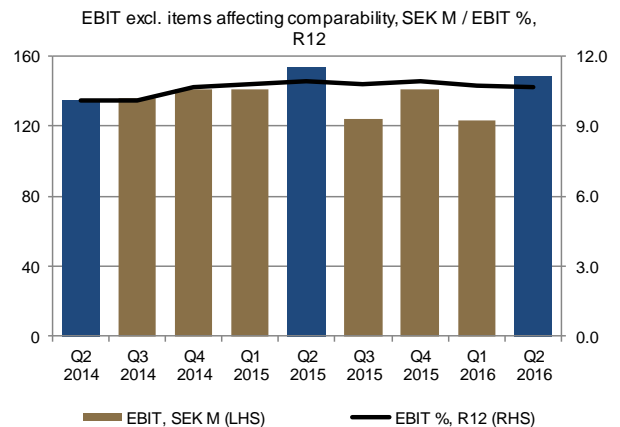
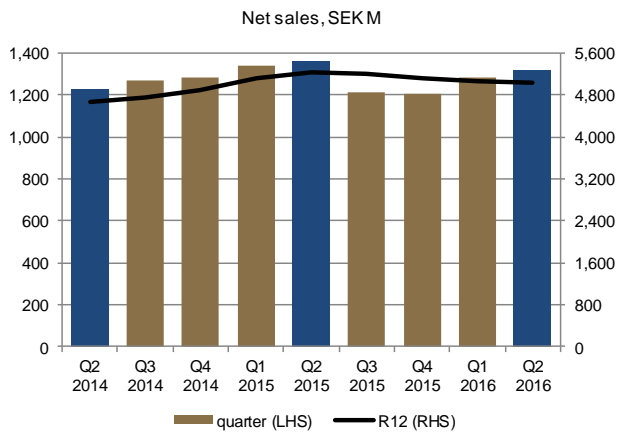
Excluding items affecting comparability, SEK M	Q2 2016	Q2 2015	Change, %	6M 2016	6M 2015	Change, %
Net sales	1,321	1,358	-3	2,604	2,698	-3
Change total, %	-3	11		-3	12	
Organic sales, %	-2	-4		-2	-5	
Structural change, %	2	7		1	8	
Currency effects, %	-3	8		-2	9	
EBIT	149	154	-3	272	295	-8
EBIT, %	11.3	11.4		10.5	10.9	

A additional key ratios on pages 17 - 18

Organic sales for the quarter declined by 2 percent year-on-year. A stronger sales trend was noted in the automotive industry, particularly in Europe and Asia, while sales to general industry were largely sluggish. Sales were adversely affected by a decline in oil & gas-related deliveries. Deliveries to the infrastructure construction market segment varied between different sub-segments and geographic markets. Both Europe and North America reported a downturn in organic sales, in contrast to the positive trend in Asia.

EBIT and the EBIT margin declined slightly compared with the corresponding period in 2015, mainly due to lower sales. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 6 M on earnings compared with the year-earlier period.

Several new products were launched during the period, including a cryogenic floating hose-in-hose solution for LNG transfer.



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 2016	Q2 2015	Change, %	6M 2016	6M 2015	Change, %
Net sales	835	1,174	-29	1,737	2,163	-20
Change total, %	-29	21		-20	18	
Organic sales, %	-29	6		-21	2	
Structural change, %	5	-		6	-	
Currency effects, %	-5	15		-5	16	
EBIT	26	68	-62	49	76	-36
EBIT, %	3.1	5.8		2.8	3.5	

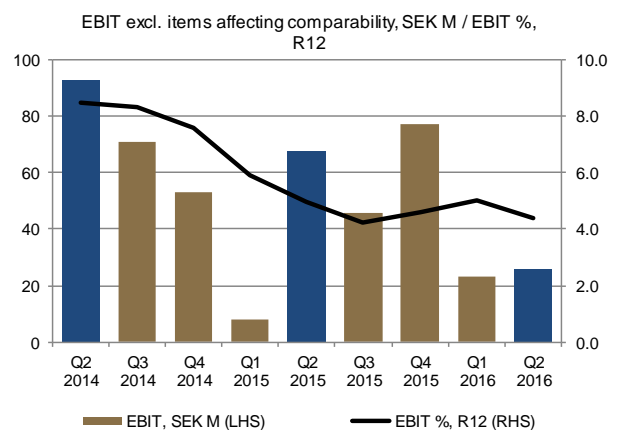
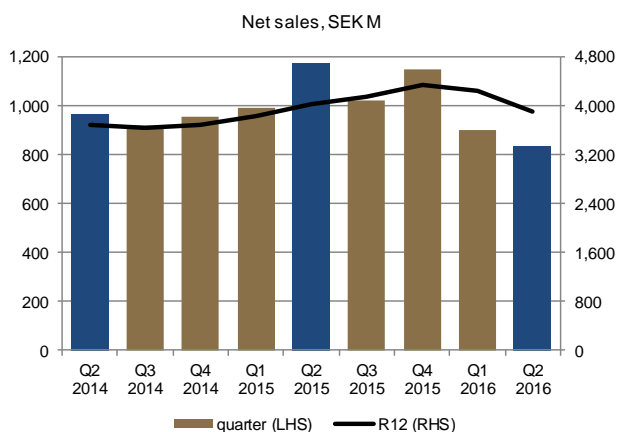
Additional key ratios on pages 17 - 18

Organic sales for the quarter declined by 29 percent year-on-year. The decline was mainly the result of fewer project transactions in the oil & gas segment as well as lower sales in the infrastructure construction segment.

EBIT and the EBIT margin decreased compared with the corresponding period in 2015, due to a significant decline in deliveries of major project orders. Despite this sharp downturn in deliveries, the business area's efforts to proactively adapt the offshore oil & gas operation to today's challenging market conditions resulted in positive earnings and a positive margin. The market price of oil remains low, confirming that

competition for outstanding project transactions has intensified and that the prevailing sense of uncertainty can be expected to continue moving forward. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 6 M on earnings compared with the year-earlier period.

Several new, interesting contracts were secured during the quarter, including contracts for tunnel gaskets for Marieholmstunneln – a road tunnel in Gothenburg, Sweden – and floatover solutions for offshore wind power in the North Sea.





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 2016	Q2 2015	Change, %	6M 2016	6M 2015	Change, %
Net sales	2,120	2,129	0	4,247	4,333	-2
Change total, %	0	9		-2	12	
Organic sales, %	2	-3		0	-1	
Structural change, %	0	-		0	-	
Currency effects, %	-2	12		-2	13	
EBIT	506	496	2	1,002	1,021	-2
EBIT, %	23.8	23.3		23.6	23.6	

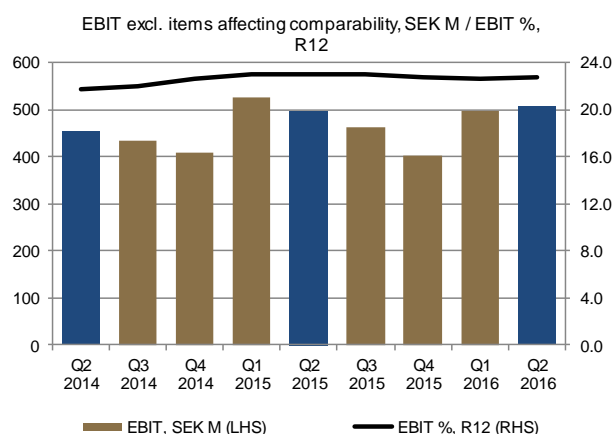
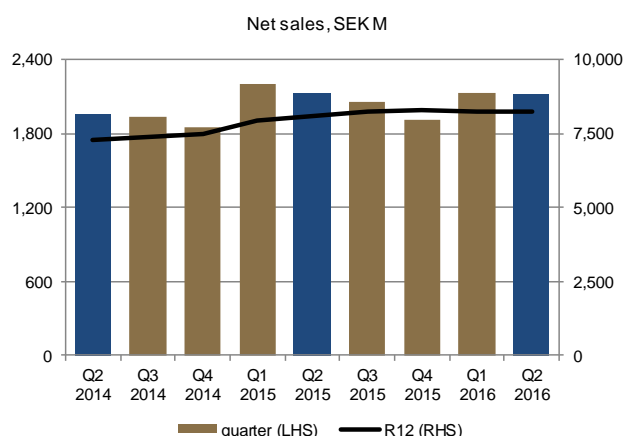
Additional key ratios on pages 17 - 18

Organic sales for the quarter increased by 2 percent year-on-year. The business area continued to perform well during the quarter, particularly in the aerospace and automotive industries. Deliveries to general industry declined in several geographic regions, primarily in more capital-intensive sectors. Organic sales increased in Europe and Asia, but declined in North and South America.

EBIT and the EBIT margin increased slightly compared with the corresponding period in 2015, mainly due to an

improved sales mix. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 13 M on earnings compared with the year-earlier period.

During the quarter, Trelleborg acquired a manufacturer of high-precision silicone components in the important and high-growth U.S. life sciences market, providing the business area with a strong platform for future development (see page 6).





Trelleborg Wheel Systems is a leading global supplier of tires and complete wheels for agricultural and forestry machines, materials handling and construction vehicles and two-wheeled vehicles.

Excluding items affecting comparability, SEK M	Q2 2016	Q2 2015	Change, %	6M 2016	6M 2015	Change, %
Net sales	1,472	1,136	30	2,616	2,258	16
Change total, %	30	7		16	3	
Organic sales, %	1	-4		1	-8	
Structural change, %	32	2		17	1	
Currency effects, %	-3	9		-2	10	
EBIT	186	125	49	342	241	42
EBIT, %	12.6	11.0		13.1	10.7	

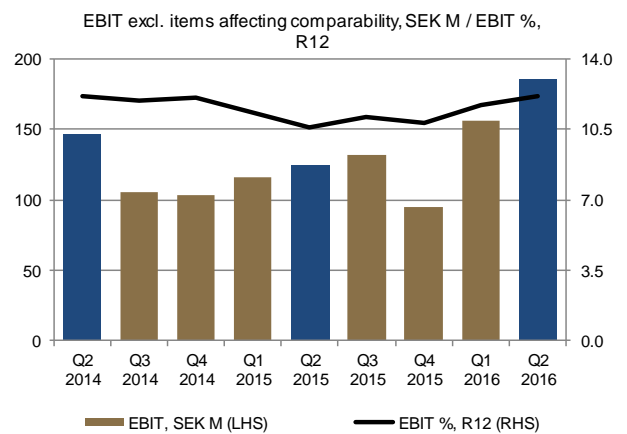
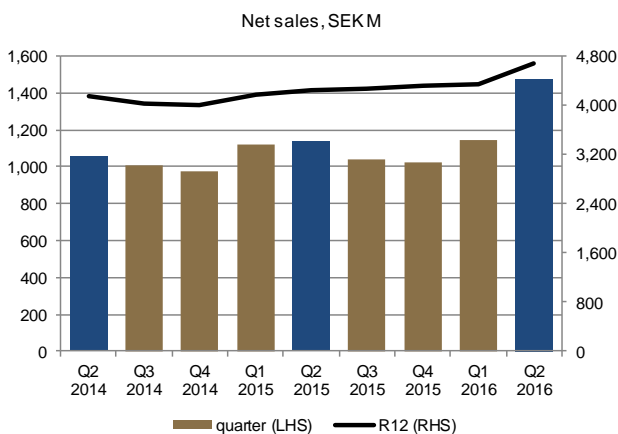
Additional key ratios on pages 17 - 18

Organic sales for the quarter increased by 1 percent year-on-year. Sales of agricultural tires to OE manufacturers of agricultural machinery increased in Europe, North America and Asia. Aftermarket sales were stable and outperformed the underlying market. The business area continued to grow its market shares in selected agricultural tire sub-segments. Sales of tires for materials handling vehicles and construction vehicles declined during the quarter. Higher sales in the European market could not fully offset the weak trend in North America.

EBIT and the EBIT margin improved compared with the

corresponding period in 2015 due to the consolidation of CGS's tire business as of June 1, 2016 as well as higher volumes of agricultural tires and effective cost control. Integration costs related to CGS and ongoing start-up costs attributable to the new facility for agricultural tires in the U.S. had a negative impact of approximately SEK 10 M on EBIT during the quarter. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 9 M on earnings compared with the year-earlier period.

The business area commenced the integration of CGS's tire business during the quarter.





Rubena Savatech

Rubena Savatech is a leading supplier of engineered polymer solutions to the general and automotive industries.

The business, which was acquired as part of CGS, will be recognized separately from Trelleborg's business areas during a transition period, before being gradually integrated into the current business areas.

Excluding items affecting comparability, SEK M	Q2 2016 ¹⁾
Net sales	166
EBIT	26
EBIT, %	15.6

Additional key ratios on pages 17 - 18

¹⁾ Key ratios refer only to the month of June

Rubena Savatech reported favorable volumes in June and its production units maintained a high capacity utilization. Strong sales combined with effective cost control resulted in satisfactory earnings.

Sales to the automotive industry were varied, with slightly weaker sales reported within certain individual product areas.

The operation reported positive volumes for its various niche products, such as V-belts and conveyor belts.

A number of investment projects have been initiated with the aim of increasing the manufacturing capacity for selected niche products and will gradually enable the operation to grow.

Financial statements

Income Statements

SEK M	Q2 2016	Q2 2015	6M 2016	6M 2015	R12 2016	12M 2015
Net sales	6,544	6,531	12,639	12,901	24,541	24,803
Cost of goods sold	-4,269	-4,332	-8,253	-8,583	-16,192	-16,522
Gross profit	2,275	2,199	4,386	4,318	8,349	8,281
Selling expenses	-558	-537	-1,082	-1,062	-2,064	-2,044
Administrative expenses	-712	-694	-1,370	-1,356	-2,745	-2,731
Research and development costs	-105	-95	-205	-191	-397	-383
Other operating income/expenses	-3	9	9	6	97	94
Profit from associated companies	2	1	2	1	3	2
EBIT, excluding items affecting comparability	899	883	1,740	1,716	3,243	3,219
Items affecting comparability	-107	-23	-222	-58	-421	-257
EBIT	792	860	1,518	1,658	2,822	2,962
Financial income and expenses	-63	-41	-110	-76	-187	-153
Profit before tax	729	819	1,408	1,582	2,635	2,809
Tax	-192	-200	-342	-411	-644	-713
Net profit in continuing operations	537	619	1,066	1,171	1,991	2,096
Net profit in discontinuing operations ¹⁾	4,369	137	4,369	274	4,604	509
Total net profit	4,906	756	5,435	1,445	6,595	2,605
- equity holders of the parent company	4,906	755	5,435	1,443	6,595	2,603
- non-controlling interest	-	1	-	2	0	2

¹⁾ Relates to Vibracoustic

Earnings per share, SEK	Q2 2016	Q2 2015	6M 2016	6M 2015	R12 2016	12M 2015
Continuing operations	1.98	2.28	3.93	4.31	7.35	7.73
Discontinuing operations	16.12	0.50	16.12	1.01	16.99	1.88
Group, total	18.10	2.78	20.05	5.32	24.34	9.61
Continuing operations, excluding items affecting comparability	2.31	2.35	4.54	4.48	8.45	8.39
Number of shares						
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

Statements of comprehensive income

SEK M	Q2 2016	Q2 2015	6M 2016	6M 2015	R12 2016	12M 2015
Total net profit	4,906	756	5,435	1,445	6,595	2,605
Other comprehensive income						
Items that will not be reclassified to the income statement						
Reassessment of net pension obligation	-66	1	-66	1	-65	2
	-66	1	-66	1	-65	2
Items that may be reclassified to the income statement						
Cash flow hedges	30	70	65	49	-159	-175
Hedging of net investment	-272	160	-267	-84	-215	-32
Translation difference	836	-508	741	85	185	-471
Income tax relating to components of other comprehensive income	72	-46	76	14	82	20
Other comprehensive income relating to discontinuing operations	-283	-114	-254	-23	-297	-66
	383	-438	361	41	-404	-724
Other comprehensive income, net of tax	317	-437	295	42	-469	-722
Total comprehensive income	5,223	319	5,730	1,487	6,126	1,883

EBIT specification

SEK M	Q2 2016	Q2 2015	6M 2016	6M 2015	R12 2016	12M 2015
EBITDA, excluding items affecting comparability	1,127	1,085	2,172	2,121	4,104	4,053
Depreciation, property, plant and equipment	-192	-179	-368	-356	-740	-728
EBITA, excluding items affecting comparability	935	906	1,804	1,765	3,364	3,325
Amortization, intangible assets	-36	-24	-64	-49	-121	-106
EBIT, excluding items affecting comparability	899	882	1,740	1,716	3,243	3,219
Items affecting comparability	-107	-23	-222	-58	-421	-257
EBIT	792	859	1,518	1,658	2,822	2,962

Balance Sheets

Group	Jun 30	Jun 30	Dec 31
SEK M	2016	2015	2015
Property, plant and equipment	9,069	6,172	6,446
Intangible assets	21,189	11,959	12,227
Other financial assets	1,311	4,857	3,627
Total non-current assets	31,569	22,988	22,300
Inventories	4,869	3,946	3,758
Current operating receivables	7,410	6,170	5,387
Current interest-bearing receivables	7,109	217	393
Cash and cash equivalents	1,675	1,246	2,552
Total current assets	21,063	11,579	12,090
Total assets	52,632	34,567	34,390
Equity holders of the parent company	23,268	18,236	18,622
Non-controlling interest	-	4	0
Total equity	23,268	18,240	18,622
Non-current interest-bearing liabilities	7,779	4,842	5,302
Other non-current liabilities	1,817	1,136	1,213
Total non-current liabilities	9,596	5,978	6,515
Interest-bearing current liabilities	13,435	4,875	4,077
Other current liabilities	6,333	5,474	5,176
Total current liabilities	19,768	10,349	9,253
Total equity and liabilities	52,632	34,567	34,390

Specification of changes in equity	Jun 30	Jun 30	Dec 31
SEK M	2016	2015	2015
<i>Attributable to equity holders of the parent company</i>			
Opening balance, January 1	18,622	17,767	17,767
Total comprehensive income	5,730	1,486	1,882
Acquisitions	-	-	-10
Dividend	-1,084	-1,017	-1,017
Closing balance	23,268	18,236	18,622
<i>Attributable to non-controlling interest</i>			
Opening balance, January 1	-	9	9
Total comprehensive income	-	1	1
Acquisitions	-	-6	-10
Closing balance	-	4	0
Sum total equity, closing balance	23,268	18,240	18,622

Specification of capital employed	Jun 30	Jun 30	Dec 31
SEK M	2016	2015	2015
Total assets	52,632	34,567	34,390
Less:			
Interest-bearing receivables ¹⁾	7,479	392	564
Cash and cash equivalents	1,675	1,246	2,552
Tax assets	1,503	1,339	1,325
Operating liabilities	6,447	5,474	5,012
Capital employed	35,528	26,116	24,937
of which discontinuing operations	-135	3,847	2,683
Capital employed excluding discontinuing operations	35,663	22,269	22,254

¹⁾ including receivable relating to disposal of Vibracoustic

Cash flow statements

Group, SEK M	Q2 2016	Q2 2015	6M 2016	6M 2015	R12 2016	12M 2015
Operating activities						
EBIT incl part in associated companies	792	860	1,518	1,658	2,822	2,962
Adjustments for items not included in cash flow :						
Depreciation, property, plant and equipment	193	177	369	356	739	726
Amortization, intangible assets	37	25	65	49	123	107
Impairment losses, property, plant and equipment	-	-	51	0	72	21
Impairment losses, intangible assets	-	-	-	-	9	9
Dividend from associated companies	1	-	1	-	2	1
Part in associated companies and other non cash-flow affecting items	-4	-3	-4	-3	-5	-4
Cash-flow effects from items affecting comparability	-	4	-	4	0	4
Interest received and other financial items	8	8	17	17	35	35
Interest paid and other financial items	-12	-15	-117	-102	-216	-201
Taxes paid	-147	-136	-249	-205	-516	-472
Cash flow from operating activities before changes in working capital	868	920	1,651	1,774	3,065	3,188
Cash flow from changes in working capital:						
Change in inventories	-1	-60	-75	-165	73	-17
Change in operating receivables	622	-93	-17	-770	760	7
Change in operating liabilities	-705	-50	-624	-70	-1,057	-503
Change in items affecting comparability	-15	-2	-14	3	15	32
Cash flow from operating activities	769	715	921	772	2,856	2,707
Investing activities						
Acquisitions	-11,801	-81	-11,981	-104	-12,558	-681
Discontinuing operations	-	27	-	27	1,363	1,390
Capital expenditure, property, plant and equipment	-173	-274	-354	-443	-1,152	-1,241
Capital expenditure, intangible assets	-37	-21	-50	-29	-94	-73
Sale of non-current assets	4	19	13	21	51	59
Cash flow from investing activities	-12,007	-330	-12,372	-528	-12,390	-546
Financing activities						
Change in interest-bearing investments	-160	135	-81	-168	-315	-402
Change in interest-bearing liabilities	12,561	639	11,693	1,016	11,361	684
Dividend - equity holders of the parent company	-1,084	-1,017	-1,084	-1,017	-1,084	-1,017
Cash flow from financing activities	11,317	-243	10,528	-169	9,962	-735
Cash flow for the period	79	142	-923	75	428	1,426
Cash and cash equivalents:						
At beginning of the period	1,547	1,152	2,552	1,141	1,246	1,141
Exchange rate differences	49	-48	46	30	1	-15
Cash and cash equivalents at end of period	1,675	1,246	1,675	1,246	1,675	2,552

SEK M	Q2 2016	Q2 2015	6M 2016	6M 2015
Net sales				
Trelleborg Coated Systems	628	672	1,259	1,355
Trelleborg Industrial Solutions	1,321	1,358	2,604	2,698
Trelleborg Offshore & Construction	835	1,174	1,737	2,163
Trelleborg Sealing Solutions	2,120	2,129	4,247	4,333
Trelleborg Wheel Systems	1,472	1,136	2,616	2,258
Rubena Savatech	166	-	166	-
Group items	98	149	205	276
Eliminations	-96	-87	-195	-182
Total	6,544	6,531	12,639	12,901

EBIT, excluding items affecting comparability				
Trelleborg Coated Systems	86	87	162	177
Trelleborg Industrial Solutions	149	154	272	295
Trelleborg Offshore & Construction	26	68	49	76
Trelleborg Sealing Solutions	506	496	1,002	1,021
Trelleborg Wheel Systems	186	125	342	241
Rubena Savatech	26	-	26	-
Group items	-80	-47	-113	-94
Total	899	883	1,740	1,716

EBIT %, excluding items affecting comparability				
Trelleborg Coated Systems	13.7	12.9	12.9	13.0
Trelleborg Industrial Solutions	11.3	11.4	10.5	10.9
Trelleborg Offshore & Construction	3.1	5.8	2.8	3.5
Trelleborg Sealing Solutions	23.8	23.3	23.6	23.6
Trelleborg Wheel Systems	12.6	11.0	13.1	10.7
Rubena Savatech	15.6	-	15.6	-
Total	13.7	13.5	13.8	13.3

Net sales per market, share and organic growth, %	Q2 2016	Q2 2015	6M 2016	6M 2015
Western Europe (48%)	-4	1	-4	-2
Other Europe (6%)	6	-10	5	-9
North America (24%)	-9	-7	-11	-4
South and Central America (4%)	-33	22	-11	21
Asia and other markets (18%)	-4	-4	-2	-4
Total (100% refer to share 2015)	-6	-1	-5	-2

Net sales per market excl. project related ¹⁾ , organic growth, %	Q2 2016	Q2 2015	6M 2016	6M 2015
Western Europe	-1	-3	-2	-5
Other Europe	9	2	7	3
North America	-5	-3	-5	-4
South and Central America	-1	-1	0	-7
Asia and other markets	9	-3	4	3
Total	0	-3	-1	-3

¹⁾ Project deliveries refer to the whole of Trelleborg Offshore & Construction and minor parts of Trelleborg Industrial Solutions' operations.

TRELLEBORG AB – SECOND QUARTER 2016

SEK M	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Net sales									
Trelleborg Coated Systems	628	631	602	602	672	683	542	442	475
Trelleborg Industrial Solutions	1,321	1,283	1,204	1,215	1,358	1,340	1,280	1,267	1,226
Trelleborg Offshore & Construction	835	902	1,149	1,019	1,174	989	954	917	967
Trelleborg Sealing Solutions	2,120	2,127	1,909	2,060	2,129	2,204	1,845	1,929	1,957
Trelleborg Wheel Systems	1,472	1,144	1,020	1,037	1,136	1,122	976	1,008	1,057
Rubena Savatech	166	-	-	-	-	-	-	-	-
Group items	98	107	111	118	149	127	70	134	135
Eliminations	-96	-99	-68	-76	-87	-95	-75	-79	-91
Total	6,544	6,095	5,927	5,975	6,531	6,370	5,592	5,618	5,726
EBIT, excluding items affecting comparability									
Trelleborg Coated Systems	86	76	74	66	87	90	63	43	60
Trelleborg Industrial Solutions	149	123	141	124	154	141	141	136	135
Trelleborg Offshore & Construction	26	23	77	46	68	8	53	71	93
Trelleborg Sealing Solutions	506	496	401	463	496	525	407	433	454
Trelleborg Wheel Systems	186	156	95	132	125	116	103	106	147
Rubena Savatech	26	-	-	-	-	-	-	-	-
Group items	-80	-33	-83	-33	-47	-47	-77	-59	-87
Total	899	841	705	798	883	833	690	730	802
EBIT %, excluding items affecting comparability									
Trelleborg Coated Systems	13.7	12.1	12.3	11.0	12.9	13.2	11.8	9.7	12.5
Trelleborg Industrial Solutions	11.3	9.6	11.7	10.2	11.4	10.5	11.0	10.8	11.0
Trelleborg Offshore & Construction	3.1	2.6	6.6	4.6	5.8	0.8	5.5	7.7	9.7
Trelleborg Sealing Solutions	23.8	23.3	21.0	22.4	23.3	23.8	22.1	22.4	23.2
Trelleborg Wheel Systems	12.6	13.6	9.3	12.7	11.0	10.3	10.5	10.6	13.9
Rubena Savatech	15.6	-	-	-	-	-	-	-	-
Total	13.7	13.8	11.9	13.4	13.5	13.1	12.3	13.0	14.0
Items affecting comparability	-107	-115	-90	-109	-23	-35	-68	-41	-99
EBIT	792	726	615	689	860	798	622	689	703

	Q2 2015, SEK M	Organic sales, %	Structural change, %	Currency effects, %	Q2 2016, SEK M
Bridge net sales SEK M, %					
Trelleborg Coated Systems	672	-5	-	-2	628
Trelleborg Industrial Solutions	1,358	-2	2	-3	1,321
Trelleborg Offshore & Constructic	1,174	-29	5	-5	835
Trelleborg Sealing Solutions	2,129	2	0	-2	2,120
Trelleborg Wheel Systems	1,136	1	32	-3	1,472
Rubena Savatech	-	-	100	-	166
Group items/eliminations	62	-	-	-	2
Total	6,531	-6	9	-3	6,544

Exchange rate differences impacting EBIT excluding items affecting comparability ¹⁾, SEK M	Q2 2016	6M 2016
Trelleborg Coated Systems	-2	-6
Trelleborg Industrial Solutions	-6	-10
Trelleborg Offshore & Construction	-6	-8
Trelleborg Sealing Solutions	-13	-21
Trelleborg Wheel Systems	-9	-13
Rubena Savatech	-	-
Group items	4	6
Total	-32	-52

¹⁾ Impact on EBIT excluding items affecting comparability in translation of foreign subsidiaries.

TRELLEBORG AB – SECOND QUARTER 2016

Income Statements, SEK M	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Net sales	6,544	6,095	5,927	5,975	6,531	6,370	5,592	5,618	5,726
Cost of goods sold	-4,269	-3,984	-3,956	-3,983	-4,332	-4,251	-3,779	-3,755	-3,767
Gross profit	2,275	2,111	1,971	1,992	2,199	2,119	1,813	1,863	1,959
Selling expenses	-558	-524	-480	-502	-537	-525	-467	-468	-486
Administrative expenses	-712	-658	-724	-651	-694	-662	-626	-611	-604
Research and development costs	-105	-100	-101	-91	-95	-96	-88	-84	-87
Other operating income/costs	-3	12	38	50	9	-3	59	29	19
Profit from associated companies	2	0	1	0	1	0	-1	1	1
EBIT, excluding items affecting comparability	899	841	705	798	883	833	690	730	802
Items affecting comparability	-107	-115	-90	-109	-23	-35	-68	-41	-99
EBIT	792	726	615	689	860	798	622	689	703
Financial income and expenses	-63	-47	-43	-34	-41	-35	-33	-34	-33
Profit before tax	729	679	572	655	819	763	589	655	670
Tax	-192	-150	-132	-170	-200	-211	-161	-182	-169
Net profit in continuing operations	537	529	440	485	619	552	428	473	501
Net profit in discontinuing operations	4,369	-	104	131	137	137	73	100	29
Total net profit	4,906	529	544	616	756	689	501	573	530
- equity holders of the parent company	4,906	529	544	616	755	688	501	571	528
- non-controlling interest	-	-	0	0	1	1	0	2	2

Earnings per share, SEK	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Continuing operations	1.98	1.95	1.62	1.79	2.28	2.03	1.58	1.74	1.85
Discontinuing operations	16.12	0.00	0.38	0.49	0.50	0.51	0.27	0.37	0.10
Group, total	18.10	1.95	2.00	2.28	2.78	2.54	1.85	2.11	1.95
Continuing operations, excluding items affecting comparability	2.31	2.23	1.85	2.07	2.35	2.13	1.78	1.89	2.10

Acquisitions

Carrying amounts of identifiable acquired assets and assumed liabilities

Acquisition of CGS

On May 31, 2016, Trelleborg finalized the acquisition of 100 percent of the shares in CGS Holding a.s., a privately owned company with leading positions in agricultural, industrial and specialty tires as well as engineered polymer solutions. CGS Holding includes the businesses Mitas, Rubena and Savatech. Mitas will be integrated into the Trelleborg Wheel Systems business area. The other businesses will be recognized separately from Trelleborg's business areas during a transition period, before being gradually integrated into the current business areas. 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 EBIT margin of 16.5 percent. The transaction will be consolidated from May 31, 2016. As a result of this acquisition, 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.

CGS Holding a.s.

SEK M	6M 2016		
	Book value	Adjustment to fair value	Fair value
Developed technology ¹⁾		206	206
Trademarks ²⁾	5	1,296	1,301
Customer relationships ³⁾		1,164	1,164
Other intangible assets	15		15
Property, plant and equipment	2,284	-160	2,124
Deferred tax assets	6		6
Shares in associated companies	67		67
Interest-bearing receivables	4		4
Inventories	953		953
Operating receivables	1,758		1,758
Current tax asset	34		34
Cash and cash equivalents	277		277
Deferred tax liabilities	-44	-222	-266
Post employment benefits	-53		-53
Provision obligations	-98		-98
Current tax liability	-83		-83
Operating liabilities	-1,485		-1,485
Net assets	3,640	2,284	5,924
Goodwill			4,993
Total purchase price	3,640	2,284	10,917
Cash and other net debt in acquired operations			-281
Impact shown in cash flow statement	3,640	2,284	10,636

¹⁾ Excess value of developed technology is amortized over 10 years

²⁾ The value of brands considered to have an indefinite useful life and thus no amortization takes place

³⁾ Excess value of customer relationships are amortized over 15 years

The above goodwill is attributable to purchase-specific synergies, the value of new future customers, the value of new technologies and the manpower existing in CGS. The fair value of acquired, identifiable, intangible assets is preliminary.

Other acquisitions

In addition to CGS, two acquisitions have been carried out during the year:

First quarter

Through the Trelleborg Industrial Solutions business area, Trelleborg signed an agreement and finalized the acquisition of 100 percent of the shares in Loggers Rubberteknik B.V., a privately owned engineering company based in the Netherlands, which offers specially developed antivibration solutions, mainly for marine applications. The company designs and develops solutions that minimize noise and protect against vibrations and shocks, primarily in onboard environments. The acquisition strengthens Trelleborg's antivibration operations in marine applications.

Second quarter

Through the Trelleborg Sealing Solutions business area, Trelleborg signed an agreement and finalized the acquisition of Specialty Silicone Fabricators Inc. (SSF), a U.S.-based privately owned manufacturer of high-precision silicone components for medical technology original equipment manufacturers (OEMs). The acquired company is a significant player in the important and high-growth U.S. life sciences market.

In addition, certain adjustments were made to the acquisitions analyses due to acquisitions carried out at the end of 2015.

Other acquisitions

SEK M	6M 2016		
	Book value	Adjustment to fair value	Fair value
Customer relationships ¹⁾		58	58
Property, plant and equipment	408		408
Deferred tax assets	31		31
Interest-bearing receivables	10		10
Inventories	36		36
Operating receivables	62		62
Cash and cash equivalents	91		91
Deferred tax liabilities	-1	-21	-22
Interest-bearing liabilities	-13		-13
Current tax liability	-8		-8
Operating liabilities	-89		-89
Net assets	527	37	564
Goodwill			869
Total purchase price			1,433
Cash and other net debt in acquired operations			-88
Impact shown in cash flow statement			1,345

¹⁾ Excess value of customer relationships are amortized over 12-15 years

The above goodwill of SEK 869 M pertaining to "Other acquisitions", which was recognized in 2016, was attributable to acquired non-separable customer relationships and synergy effects expected after the acquisition. The fair value of acquired, identifiable, intangible assets is provisional pending final measurement of these assets.

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

At June 30, 2016 SEK M	Derivatives valued at fair value in profit and loss		Derivatives used for hedging purposes		Total
	Carrying amount	Measurement level	Carrying amount	Measurement level	
Accounts receivable and other receivables	15	2	31	2	46
Current interest-bearing receivables	308	2	15	2	323
Total assets	323		46		369
Other non-current liabilities	-		220	2	220
Interest-bearing non-current liabilities	10	2	-		10
Accounts payable and other liabilities	11	2	114	2	125
Interest-bearing current liabilities	101	2	133	2	234
Total liabilities	122		467		589

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

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

Income statements, SEK M	Q2 2016	Q2 2015	6M 2016	6M 2015	R12 2016	12M 2015
Administrative expenses	-79	-70	-140	-123	-297	-280
Other operating income	240	233	281	281	395	395
Other operating expenses	-17	-17	-35	-30	-230	-225
EBIT	144	146	106	128	-132	-110
Financial income and expenses	67	300	-41	169	200	410
Profit before tax	211	446	65	297	68	300
Appropriations	-	-	-	-	567	567
Tax	-5	-5	26	27	2	3
Net profit	206	441	91	324	637	870

Statements of comprehensive income, SEK M	Q2 2016	Q2 2015	6M 2016	6M 2015	R12 2016	12M 2015
Net profit	206	441	91	324	637	870
Total comprehensive income	206	441	91	324	637	870

Balance sheets	Jun 30	Jun 30	Dec 31
SEK M	2016	2015	2015
Property, plant and equipment	18	20	19
Intangible assets	2	3	3
Financial assets	35,639	35,777	35,760
Total non-current assets	35,659	35,800	35,782
Current receivables	134	92	107
Interest-bearing receivables	1	-	622
Cash and cash equivalents	0	0	0
Total current assets	136	92	729
Total assets	35,795	35,892	36,511
Shareholders' equity	10,336	10,783	11,329
Total equity	10,336	10,783	11,329
Untaxed reserves	-	-	-
Interest-bearing non-current liabilities	4,374	4,378	4,378
Other non-current liabilities	18	15	29
Total non-current liabilities	4,392	4,393	4,407
Interest-bearing current liabilities	20,885	20,566	20,590
Other current liabilities	182	150	185
Total current liabilities	21,067	20,716	20,775
Total equity and liabilities	35,795	35,892	36,511

Financial definitions

Trelleborg uses the following alternative key figures relating to its financial position, return on shareholders' equity and capital employed, net debt, debt/equity ratio and equity/assets ratio. The Group believes that these key figures can be utilized by users of the financial statements as a supplement in assessing the possibility of dividends, making strategic investments and assessing the Group's ability to meet its financial commitments. Trelleborg also uses the cash flow metrics of operating cash flow and free cash flow to provide an indication of the funds generated by the operations in order to conduct strategic investments, carry out amortizations and generate a return for its shareholders. Trelleborg uses the performance metrics of EBITDA, EBITA and EBIT excluding items affecting comparability, which the Group considers to be relevant for investors seeking to understand its earnings generation before items affecting comparability. The Group defines its key figures as follows.

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.¹⁾

Cash conversion ratio Operating cash flow as a percentage of EBIT.

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

Discontinuing operations Profit from discontinuing operations is recognized net in the consolidated income statement under the item "Net profit in discontinuing operations".

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

EBIT Operating profit including items affecting comparability.

EBIT, excluding items affecting comparability Operating profit excluding items affecting comparability.

EBIT margin excluding items affecting comparability, % EBIT excluding items affecting comparability as a percentage of net sales.

EBITA Operating profit excluding amortization and impairment of intangible assets and excluding items affecting comparability.

EBITA margin, % EBITA as a percentage of net sales.

EBITDA Operating profit excluding depreciation and impairment of PPE and amortization of intangible assets and excluding items affecting comparability.

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

Equity method Shares in associated companies and joint

ventures are recognized according to the equity method, in which the initial participation is adjusted to reflect the Group's participation in the profit of the company and any dividends.

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

Items affecting comparability The total of the restructuring costs approved by the Board of Directors and major non-recurring items.

Net debt Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents¹⁾.

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 items affecting comparability are excluded.

Pro forma Pro forma calculations include total Group consolidation from the most recent 12-month period plus acquisitions and divestments in order to reflect current continuing operations.

Return on capital employed, % EBIT divided by the average capital employed.

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.

¹⁾ For the second quarter of 2016, the payment for Vibracoustic is included in net debt. The payment was recognized as a financial receivable and thus impacted the Group's net debt.

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. Our 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:

Business area/Segment distribution	General industry					Capital intensive industry	
	Oil & gas	Transport equipment	Agriculture	Infrastructure construction	Aerospace	industry	Ligh Vehicles
Trelleborg Coated Systems	81%	3%			14%	17%	2%
Trelleborg Industrial Solutions	65%	9%		14%		26%	9%
Trelleborg Offshore & Construction		66%		34%		100%	
Trelleborg Sealing Solutions	45%	2%	7%	4%	15%	28%	27%
Trelleborg Wheel Systems			51%	49%		100%	
Total	38%	13%	13%	10%	9%	6%	51%

Net sales per market segment and business area based on 2015, excluding acquisitions carried out in 2016

The Trelleborg Group's operations

Continuing operations

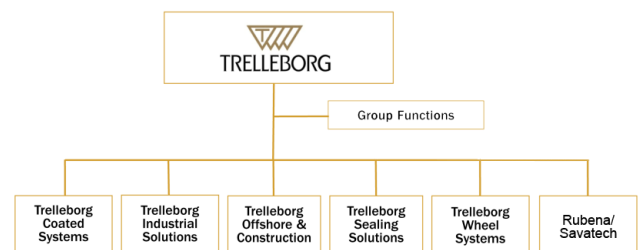
Refers to operations within Trelleborg's five business areas: Trelleborg Coated Systems, Trelleborg Industrial Solutions, Trelleborg Offshore & Construction, Trelleborg Sealing Solutions and Trelleborg Wheel Systems. It also includes the business Rubena Savatech as well as Group items defined as central staff functions and a Group-wide operation.

Discontinuing operations

Refers generally to operations that have been discontinued or are in the process of being divested. The joint venture Vibracoustic's historical comparative figures are also included.

Group in total

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



Invitation to a telephone conference on July 19 at 9:00 a.m. CET

A telephone conference will be held on July 19 at 9:00 a.m. CET. To participate in the telephone conference, call +46 (0)8-566 426 95 (Sweden), +44 20 300 898 09 (U.K) or +1 855 831 5944 (U.S.). Code: "Trelleborg". The conference will also be broadcast on the Internet in real time. Visit our website www.trelleborg.com for the Internet link and presentation materials.

Financial calendar

Interim report July-September 2016	October 25, 2016
Capital Markets Day (Stockholm)	December 15, 2016
Year-end report 2016	February 1, 2017
Annual Report 2016	Week starting March 13, 2017
Interim report January-March 2017	April 27, 2017
Annual General Meeting 2017	April 27, 2017
Interim report April-June 2017	July 20, 2017

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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 information is information that Trelleborg AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 7:45 am CET on July 19, 2016.

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