



I N T E R I M R E P O R T

JANUARY – MARCH 2005

STABLE DEVELOPMENT FOR TRELLEBORG

The Trelleborg Group continued its stable development during the first quarter of 2005. Net sales amounted to SEK 5,794 M (5,815). Organic growth in the Group's current structure was 1.4 percent. Robust growth in Trelleborg Engineered Systems and Trelleborg Wheel Systems compensated for a weak development in Trelleborg Automotive.

Net profit amounted to SEK 245 M, compared with SEK 306 M for the strong first quarter of 2004 when increased prices for raw materials had not yet impacted on results, principally in Trelleborg Automotive.

- Net sales amounted to SEK 5,794 M (5,815).
- Net profit amounted to SEK 245 M (306).
- Earnings per share were SEK 2.70 (3.50).
- Key operating ratios for continuing operations, excluding restructuring costs and impairment losses:

	<u>First quarter:</u>
• Operating profit	SEK 398 M (473)
• Profit before tax	SEK 336 M (389)
• Net profit	SEK 245 M (285)
• Earnings per share	SEK 2.70 (3.25)
- A new five-year syndicated loan of approximately SEK 10.9 billion was raised, improving the maturity structure and reducing financing costs. The financing agreement replaces an earlier USD 600 M loan from June 2002 and a EUR 540 M loan from October 2003.
- Complementary acquisitions within tunnel seals, marine fender systems and distribution of special seals.

Effective 2005, Trelleborg applies EU-approved International Financial Reporting Standards (IFRS). Comparative figures have been restated from January 1, 2004. This interim report is the first financial report to be presented in accordance with IFRS. See pages 17-18 more detailed information.

First quarter 2005

Key Ratios, Group

SEK M	Jan - March		April 2004 -	Full year
Key ratios	2005	2004	March 2005	2004
<i>Continuing operations</i>				
Net sales	5 794	5 815	22 891	22 912
Operating profit	398	467	1 166	1 235
Profit before tax	336	383	901	948
Profit for the period	245	281	694	730
<i>Discontinued operations</i>				
Operating profit	-	25	631	656
Profit before tax	-	25	631	656
Profit for the period	-	25	631	656
Total operating profit	398	492	1 797	1 891
Total profit before tax	336	408	1 532	1 604
Total profit for the period	245	306	1 325	1 386
- attributable to equity holders of the parent	241	300	1 313	1 372
- attributable to minority interest	4	6	12	14
Earnings per share, SEK ¹⁾	2,70	3,50	14,75	15,55
Cash flow from operating activities	120	28	1 798	1 706
Free cash flow per share, SEK ²⁾	-0,75	-2,70	8,00	6,05
Financial interest-bearing net assets/liabilities	-7 313	-9 040	-7 313	-6 951
Debt/equity ratio, %	80	110	80	81
Return on shareholders' equity, %	11,0	15,5	15,3	17,2
Operating key ratios				
<i>Continuing operations, excluding restructuring costs and impairment losses</i>				
Operating profit	398	473	1 720	1 795
Profit before tax	336	389	1 455	1 508
Profit for the period	245	285	1 082	1 122
Earnings per share, SEK ¹⁾	2,70	3,25	12,00	12,55
Operating margin (ROS), % ³⁾	7,4	7,5	7,4	7,7
Return on capital employed (ROA), % ³⁾	10,8	11,4	10,8	11,2
Return on shareholders' equity, %	11,0	14,4	12,5	13,9
Operating cash flow	123	13	1 593	1 483
Operating cash flow per share, SEK ⁴⁾	1,35	0,15	18,00	16,80

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

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

³⁾ Based on rolling 12-months values

⁴⁾ Operating cash flow divided by the average number of shares outstanding

GROUP

Net sales, profit and earnings per share

Net sales for the Trelleborg Group during the first quarter of 2005 amounted to SEK 5,794 M (5,815). Organic growth in the Group's current structure was 1.4 percent. Adjusted for fewer working days during the quarter compared with the first quarter of 2004, organic growth was 4.8 percent. Exchange rate fluctuations had a negative impact of 1.6 percent.

Taking into account the decline in the automotive industry, both in North America and Europe, Trelleborg Automotive's overall development has been in line with its underlying market, while exceeding market growth in the US. Trelleborg Engineered Systems and Trelleborg Wheel Systems had a highly favorable quarter, with strong volume growth. Trelleborg Sealing Solutions continued its stable trend, while Trelleborg Building Systems had a weaker start to the year.

Group profit declined compared with the strong first quarter of 2004, when the effect of increased raw material costs were not yet apparent.

Net profit amounted to SEK 245 M (306) and earnings per share to SEK 2.70 (3.50). Consolidated operating profit totaled SEK 398 M (492). Profit before tax was SEK 336 M (408).

For continuing operations, excluding restructuring costs and impairment losses, operating profit amounted to SEK 398 M (473). Profit before tax was SEK 336 M (389) and net profit was SEK 245 M (285). Earnings per share were SEK 2.70 (3.25). The Group's operating margin was 7.4 percent (7.5).

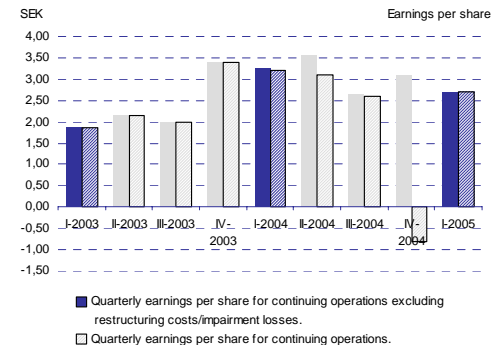
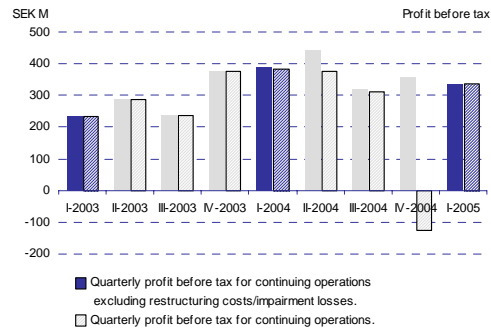
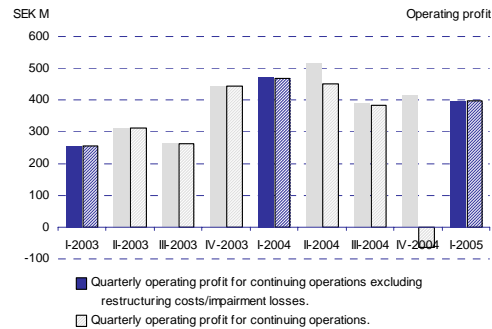
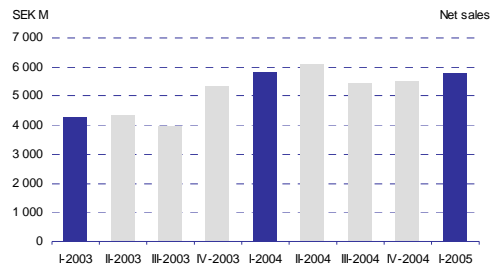
Balance sheet, cash flow and investment

Taking seasonal variations into account, consolidated operating cash flow was strong at SEK 123 M (13), impacted positively by the capital-rationalization project started in 2004. The level of investment was SEK 179 M (213). At the end of the quarter, consolidated capital employed amounted to SEK 15,944 M (16,917). The reduction was mainly attributable to the divestment of Trenor, impairment losses recognized during the fourth quarter and exchange-rate effects. Net financial debt amounted to SEK 7,313 M (9,040). The increase since the beginning of the year is mainly due to exchange rate movements and completed acquisitions. The debt/equity ratio at March 31, 2005 was 80 percent (110) and the equity/assets ratio was 39 percent (34). At the end of the period, shareholders' equity per share (net 90.4 million outstanding) amounted to SEK 100.10 (91.70). The return on equity was 11.0 percent (15.5).

The application of IAS 39, Financial Instruments, increased operating assets by SEK 19 M as per January 1, 2005. Shareholder's equity increased by SEK 14 M, net after tax.

Reduced financing cost and improved maturity structure

Long-term financing has been strengthened through the raising of a new syndicated loan corresponding to a total of EUR 1,200 M (approximately SEK 10.9 billion), with a term of five years and an option to extend the loan for an additional two years. The financing agreement replaces the Trelleborg Group's current financing comprising a loan of USD 600 M from June 2002 and a loan of EUR 540 M from October 2003. The new loan is divided into two components; EUR 750 M and USD 600 M. The loan margin on the current level of debt is 0.275% and the credit facility fee is 0.09%.



OTHER

Convertible debentures and options program

Shareholders' equity at March 31, 2005 increased by SEK 78 M through the exercise of call options issued in 2002. The total number of shares increased by 0.64 million.

The call options from 2002 were the last outstanding program within the Group and, consequently, no dilution of the shares has occurred.

Acquisitions

Complementary acquisitions included the sealing operations of Rollon Hydraulics Pvt. Ltd (distributor of special seals) in India and acquisitions within marine fender systems and tunnel seals. After the close of the quarter, Trelleborg entered into a joint venture concerning tire distribution in the Middle East.

PARENT COMPANY

The accounts of the Parent Company are prepared in accordance with RR 32 effective January 1, 2005.

First-quarter profit before tax for Trelleborg AB, the Parent Company of the Trelleborg Group, amounted to SEK 17 M (69). There were no sales. Investments amounted to SEK 2 M (0).

OUTLOOK

For the full year 2005, growth is expected to remain favorable in aerospace, agriculture, transportation equipment, oil/gas and other industries. In the automotive industry, a weak trend is expected in Trelleborg's principal markets. In construction and infrastructure-related industry, demand is expected to vary between different geographical sub-markets. Trelleborg is expected to be able to develop at the same level as its underlying markets or somewhat better.

For the remainder of the year, net earnings for continuing units are expected to be in line with or somewhat better than the equivalent period in 2004.

The Trelleborg Group continues to focus on efficiency-improvement measures and price adjustments to balance the negative effects of increased prices for raw materials.

Extensive drives and market initiatives are being implemented to utilize the potential that exists to increase organic growth in our prioritized areas.

Trelleborg, April 26, 2005

*Fredrik Arp
President*

This interim report has been prepared in accordance with IAS 34 Interim Reports. The accounting principles applied in the preparation of this report are described in the Trelleborg Group's Annual Report as applicable and in the section on the transition to reporting in accordance with IFRS on pages 17 to 18 of this report. The report has not been subject to special review by the Company's auditors. The data on which the diagrams in this report are based are available in Excel format under "Financial information" at www.trelleborg.com.

Invitation to telephone conference, April 26 at 16:45 CET

A telephone conference will be held on April 26 at 16:45 CET. Call +44 20 71 62 01 86 and state the password "Trelleborg." Presentation materials will be available at www.trelleborg.com from about half an hour prior to the commencement of the conference. The conference will be recorded and will be available for five days following the conference on tel. +44 207-031 40 64, code 656007.

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Calendar

Interim reports 2005

July 21, October 25

Group financial statements, the stakeholder magazine T-TIME and other information on the Trelleborg Group may be ordered from Trelleborg AB, Information Department, Box 153, SE-231 22 Trelleborg, Sweden, by telephone on +46 410-670 09, by fax on +46 410-427 63, by e-mail: info@trelleborg.com or can be downloaded from the Group's website: www.trelleborg.com

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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.

Trelleborg Automotive

SEK M	Jan - March 2005	2004	April 2004 - March 2005	Full year 2004
<i>excluding restructuring costs and impairment losses</i>				
Net sales	2 302	2 393	9 091	9 182
Operating profit	114	170	531	587
ROS, %	5,5	7,9	5,5	6,0
ROA, %	10,0	14,0	10,0	11,1
Capital employed	5 362	5 465	5 362	5 132
Operating cash flow	67	-26	433	340
<i>including restructuring costs and impairment losses</i>				
Operating profit	114	164	280	330
ROS, %	2,7	7,8	2,7	3,2
ROA, %	5,3	13,9	5,3	6,2

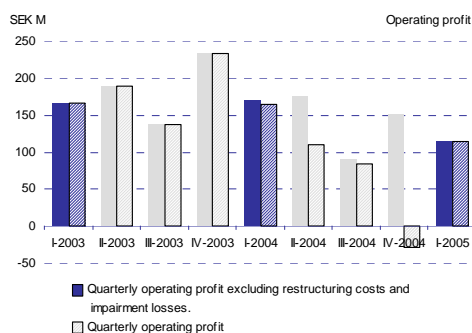
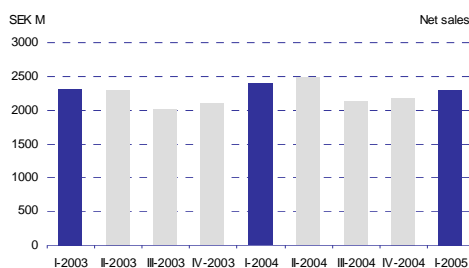
Business area's sales higher than underlying market in North America

During the first quarter, the trend in the automotive industry was weaker than expected, both in North America and in Europe. In North America, car production fell by 4.1 percent and in Western Europe by 3.2 percent, compared with the year-earlier period. (Source: JD Powers/Trelleborg).

In comparable currencies/units, the business area's sales declined by 2.2 percent compared with the strong first quarter of 2004. Overall, sales were in line with the underlying market, although in North America, sales exceeded the underlying market.

Earnings were affected by lower volumes resulting in lower plant utilization. In addition, it was not possible to fully offset the increased prices for input goods. The previously announced measures intended to cope with this are still underway. The effects of restructuring measures and increased productivity had a favorable impact on earnings.

During the quarter, Trelleborg Automotive's newly constructed plant at Wuxi in China was inaugurated. With increased production capacity at this state-of-the-art facility, Trelleborg will now be better able to meet increasing demand from the automotive industry in China.



Trelleborg Sealing Solutions

SEK M	Jan - March 2005	2004	April 2004 - March 2005	Full year 2004
Net sales	1 257	1 310	4 956	5 009
Operating profit	167	189	654	676
ROS, %	13,2	12,2	13,2	13,5
ROA, %	10,5	9,2	10,5	10,9
Capital employed	6 452	6 244	6 452	6 119
Operating cash flow	32	119	492	579

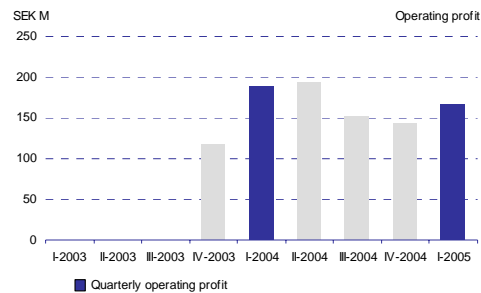
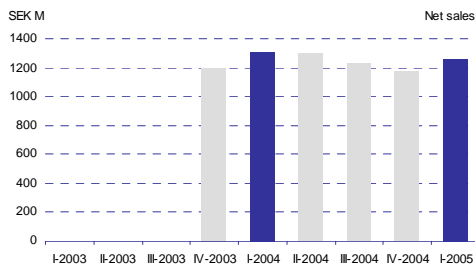
Continued stable trend

During the quarter, the trend in Trelleborg Sealing Solutions' sub-segments varied, with continued strong growth in industry and aerospace, but weaker growth in the automotive sector. Following a long period of strong growth in the underlying market, it could be noted that the rate of growth slowed somewhat in Trelleborg Sealing Solutions' principal geographic markets.

In comparable currencies/units, sales declined by 1 percent. Taking into account the fact that the quarter contained fewer working days than the equivalent period in 2004, sales rose by 2 percent in comparable currencies/units. Sales to industry and the aerospace sector were highly favorable although deliveries to the automotive industry declined as the result of a weakening market and the business area's decision to withdraw from certain un-profitable business within the automotive industry in order to achieve a better mix. The difference in earnings compared with the preceding year is attributable entirely to the fact that there were fewer invoicing days during the quarter.

The favorable and continued stable trend for the business area is in line with expectations. Several growth initiatives were implemented. The expansion and build-out of infrastructure in North America and Asia is developing according to plan.

The sealing operations of the Indian distribution company Rollon Hydraulics Pvt. Ltd. were acquired. Rollon is one of India's leading sealing distributors with a nationwide sales network and head office and technical support unit located in Bangalore, in southern India. Rollon has approximately 30 employees and annual sales of approximately SEK 25 M. Trelleborg already has a seal-production plant in Bangalore. Following the acquisition, the business area covers all principal Asian markets.



Trelleborg Engineered Systems

SEK M	Jan - March 2005	2004	April 2004 - March 2005	Full year 2004
<i>excluding restructuring costs and impairment losses</i>				
Net sales	1 042	974	4 029	3 961
Operating profit	73	65	291	283
ROS, %	7,2	6,4	7,2	7,1
ROA, %	15,7	12,8	15,7	15,2
Capital employed	1 868	1 929	1 868	1 753
Operating cash flow	77	-4	373	292
<i>including restructuring costs and impairment losses</i>				
Operating profit	73	65	188	180
ROS, %	4,7	6,4	4,7	4,5
ROA, %	10,2	12,8	10,2	9,7

Strong sales growth and improved earnings

The first quarter of 2005 was characterized by stable demand in most of Trelleborg Engineered Systems' markets. In comparable currencies/units, sales by the business area were up 8.6 percent on the preceding year.

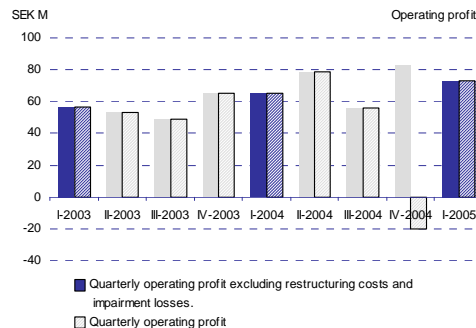
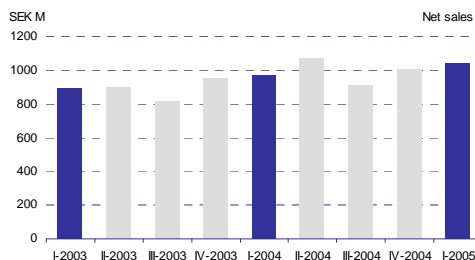
The Industrial Fluid Systems product area performed strongly during the quarter, primarily due to several project deliveries related to the oil/gas area.

Demand for Trelleborg's project-related products remained stable, with favourable order bookings.

Sales of molded components for the manufacturing industry continued to show excellent growth.

The business area has improved its positions within priority segments, partly through the acquisition of operations within marine fender systems and tunnel seals. These acquisitions had a marginal impact on sales and earnings for the quarter but are expected to increase sales by approximately SEK 75 M on a rolling full-year basis.

Continued price increases for raw materials during the quarter could be offset by increased sales prices.



Trelleborg Wheel Systems

SEK M	Jan - March 2005	2004	April 2004 - March 2005	Full year 2004
<i>excluding restructuring costs and impairment losses</i>				
Net sales	820	760	2 993	2 933
Operating profit	60	46	181	167
ROS, %	6,1	5,0	6,1	5,7
ROA, %	12,3	8,4	12,3	10,9
Capital employed	1 409	1 645	1 409	1 322
Operating cash flow	16	-6	279	257
<i>including restructuring costs and impairment losses</i>				
Operating profit	60	46	-19	-33
ROS, %	-0,6	5,0	-0,6	-1,1
ROA, %	-1,3	8,4	-1,3	-2,1

Increased sales, improved earnings and strengthened market positions

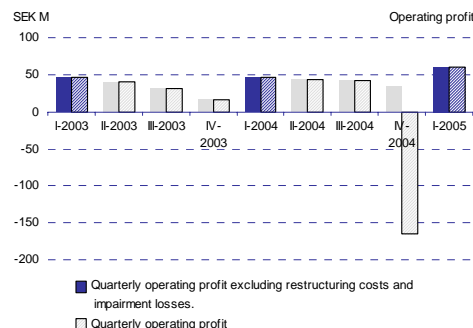
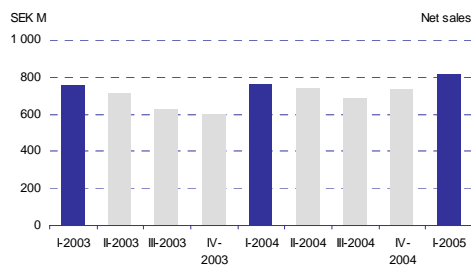
The trend for Trelleborg Wheel Systems during the first quarter was favorable with a high level of growth in sales and improved earnings. In a stable European market for agricultural tires, the business area continued to capture market share, primarily in the original equipment manufacturing segment. Deliveries to several major new customers commenced. In comparable currencies/units, sales rose by 9.9 percent compared with the previous year.

Operating profit rose as a result of increased sales volumes and a favorable product mix. Improved price levels offset the increased cost of materials. A favorable trend in the wheel-rims product area also contributed to profits.

The closure of the tire-production facility in the town of Trelleborg and the transfer of operations is proceeding according to plan. The future organization of the location has been established. Negotiations with the unions are expected to be largely completed during the second quarter of 2005.

The market for industrial tires remains favorable in Europe, North America and Asia, with particularly strong demand in the OEM segment. The after-market continues to show signs of a gradual improvement. The business area's sales grew, primarily to original equipment manufacturers in the US and Europe.

Sales in geographic markets outside North America and Western Europe rose. In the Middle East, market coverage was extended through a joint-venture agreement, started in April, with Al Dobowi Ltd regarding the distribution of industrial and agricultural tires. The new company, Trelleborg Wheel Systems Middle East Ltd, will be located in Dubai. Initially, the company is expected to generate sales of approximately SEK 15 M. Even before the agreement, Al Dobowi was a supplier of Trelleborg industrial tires in the region.



Trelleborg Building Systems

SEK M	Jan - March 2005	2004	April 2004 - March 2005	Full year 2004
Net sales	485	495	2 247	2 257
Operating profit	18	24	184	190
ROS, %	8,0	8,6	8,0	8,3
ROA, %	20,3	20,9	20,3	21,0
Capital employed	883	908	883	859
Operating cash flow	4	15	207	218

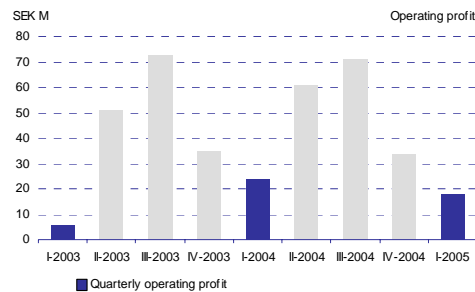
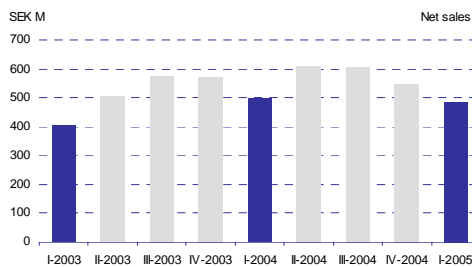
Favorable development for roofing operations in the Nordic region, weak market for profile operations in Central Europe

Demand improved in the Scandinavian construction market during the first quarter compared with the year-earlier period, while the Central European market for industrial profiles was weak, particularly in Germany.

In comparable currencies/units, sales by Trelleborg Building Systems remained unchanged compared with the preceding year. Sales in Scandinavia showed strong growth, primarily within roofing operations. The weak demand for profile operations led to a decline in sales volumes in this segment, and this also impacted negatively on the business area's earnings. To some extent, this effect was offset by increased sales in the roofing area and continued strong performance for pipe seals.

The business area was able to offset higher raw material costs through price increases.

The efficiency-improvement measures in progress in Sweden and the UK are expected to provide a positive effect on earnings already during the second quarter of 2005.



Financial Reporting

Income Statements¹⁾

Group SEK M	Jan - March 2005	2004	April 2004 - March 2005	Full year 2004
<i>Continuing operations</i>				
Net sales	5 794	5 815	22 891	22 912
Cost of goods sold	-4 230	-4 191	-17 087	-17 048
Gross profit	1 564	1 624	5 804	5 864
Selling expenses	-500	-487	-2 026	-2 013
Administrative expenses	-598	-591	-2 393	-2 386
Research and development costs	-118	-121	-490	-493
Other operating income/expense	43	35	234	226
Profit from participation in associated companies	7	7	37	37
Operating profit	398	467	1 166	1 235
Financial income and expenses	-62	-84	-265	-287
Profit before tax	336	383	901	948
Tax	-91	-102	-207	-218
Profit for the period	245	281	694	730
<i>Discontinued operations</i>				
Result from participation in Trenor	-	25	22	47
Result from sales of shares in Trenor	-	-	609	609
Operating profit	-	25	631	656
Result before tax	-	25	631	656
Profit for the period	-	25	631	656
Total operating profit	398	492	1 797	1 891
Total result before tax	336	408	1 532	1 604
Total profit for the period	245	306	1 325	1 386
- attributable to equity holders of the parent	241	300	1 313	1 372
- attributable to minority interest	4	6	12	14

¹⁾ Costs have been distributed in accordance with IFRS. Comparison figures have been reclassified accordingly.

Earnings per share SEK	Jan - March 2005	2004	April 2004 - March 2005	Full year 2004
<i>Continuing operations</i>				
Earnings ¹⁾	2,70	3,20	7,60	8,10
Diluted earnings ²⁾	2,70	3,15	7,65	8,10
<i>Total</i>				
Earnings ¹⁾	2,70	3,50	14,75	15,55
Diluted earnings ²⁾	2,70	3,45	14,80	15,55
Number of shares				
<i>Excluding own holdings</i>				
End of period	90 357 261	88 052 095	90 357 261	89 717 261
¹⁾ Average number	89 717 261	85 964 839	89 341 615	88 315 113
End of period after dilution	90 357 261	89 838 699	90 357 261	89 728 866
²⁾ Average number after dilution	89 717 261	87 751 443	89 902 306	88 326 738
<i>Treasury shares</i>				
End of period	5 623 100	6 263 100	5 623 100	6 263 100
Average number	6 263 100	6 934 225	6 263 100	6 469 600

Balance Sheets

Group SEK M	March 31 2005	March 31 2004	Dec 31 2004
Intangible fixed assets	7 458	7 418	7 180
Tangible fixed assets	5 514	6 020	5 399
Financial fixed assets	919	1 303	873
Total fixed assets	13 891	14 741	13 452
Inventories	2 926	2 873	2 826
Current operating receivables	6 072	6 166	5 366
Interest-bearing current receivables	193	47	33
Cash and cash equivalents	438	694	475
Total current assets	9 629	9 780	8 700
Total assets	23 520	24 521	22 152
Shareholders' equity	9 045	8 075	8 475
Minority share	141	165	128
Total shareholders' equity and minority share	9 186	8 240	8 603
Long-term interest-bearing liabilities	7 533	9 571	7 150
Other long-term liabilities	1 283	1 191	1 197
Total long-term liabilities	8 816	10 762	8 347
Interest-bearing current liabilities	391	365	310
Other current liabilities	5 127	5 154	4 892
Total short-term liabilities	5 518	5 519	5 202
Total shareholders' equity and liabilities	23 520	24 521	22 152

Specification of changes in shareholders' equity SEK M	March 31 2005	March 31 2004	Dec 31 2004
<i>Attributable to equity holders of the parent</i>			
Opening balance, January 1	8 475	7 309	7 307
Adjustment of opening balance of shareholders' equity in accordance with IAS 39	14	-	-
New share issue in connection with loan conversion	-	102	207
New share issue in connection with exercise of warrants	-	85	89
Transfer of treasury shares at exercise of call options	78	79	79
Cash flow hedges, net after tax	6	-	-
Translation difference	322	353	-306
Translation difference on hedging instruments after tax	-91	-153	123
Profit for the period	241	300	1 372
Dividend	-	-	-396
Closing balance	9 045	8 075	8 475
<i>Attributable to minority interest</i>			
Opening balance, January 1	128	152	152
Acquisitions	-	-	-27
Translation difference	9	7	-9
Profit for the period	4	6	14
Dividend	-	-	-2
Closing balance	141	165	128
Sum Closing balance	9 186	8 240	8 603

The Board and the President propose a dividend of SEK 5.00 per share, totaling SEK 452 M

Cash flow statements

SEK M	Jan - Mar 2005	2004	April 2004 - March 2005	Full year 2004
Operating activities				
Operating profit	398	492	1 797	1 891
Adjustments for items not included in cash flow				
Result from disposal of Trenor	-	-	-609	-609
Amortization, intangible assets	14	6	42	34
Depreciation, tangible assets	188	204	792	808
Impairment losses	-	-	313	313
Provisions for restructuring measures	-	-	223	223
Undistributed result from participation in associated companies	-7	-32	-7	-32
	593	670	2 551	2 628
Interest received and other financial items	23	17	37	31
Interest paid and other financial items	-79	-98	-300	-319
Taxes paid	-93	-81	-391	-379
Cash flow from ongoing operations before changes in working capital	444	508	1 897	1 961
Cash flow from changes in working capital:				
Change in inventories	-18	-33	-131	-146
Change in operating receivables	-337	-688	62	-289
Change in operating liabilities	62	241	31	210
Utilization of restructuring reserves	-31	-	-61	-30
Cash flow from ongoing operations	120	28	1 798	1 706
Investing activities				
Business combinations	-100	-311	-135	-346
Restructuring measures in business combinations	-9	-81	-176	-248
Disposals	-	-	1 097	1097
Gross investments in intangible fixed assets	-32	-42	-160	-170
Gross investments in tangible fixed assets	-147	-171	-817	-841
Sale of fixed assets	2	36	57	91
Cash flow from investing activities	-286	-569	-134	-417
Financing activities				
Change in interest-bearing investments	-118	2	13	133
Change in interest-bearing liabilities	264	167	-1 608	-1 705
Dividend paid to shareholders	-	-	-396	-396
Dividend paid to minority	-	-	-2	-2
New share issue in connection with the exercise of warrants	-	85	4	89
Transfer of treasury shares in connection with exercise of call options	-	7	72	79
Cash flow from the financing activities	146	261	-1 917	-1 802
Cash flow for the period	-20	-280	-253	-513
Cash and cash equivalents:				
At beginning of the period	475	999	741	999
Reclassification at beginning of the period	-36	-	-36	-
Exchange rate differences	19	22	-14	-11
Cash and cash equivalents at end of period	438	741	438	475

SEK M	2005	2004	
	Within Sealing Solutions and Engineered Systems	Metzeler Automotive Hose Systems	Others
Purchase price incl. acquisition expenses	100	285	26
Net realizable value of acquired assets	20	257	9
Goodwill	80	28	17
Acquired assets and liabilities			
Tangible assets	13	136	1
Operating assets	11	283	8
Cash and cash equivalents	0	31	0
Operating liabilities	-4	-162	0
	20	288	9
Cash and cash equivalents	0	-31	0
Total	20	257	9

Group review

SEK M	Jan - March		April 2004 -	Full year
	2005	2004	March 2005	2004
<i>Continuing operations excl restructuring costs/impairment losses</i>				
Net sales	5 794	5 815	22 891	22 912
EBITDA	600	683	2 554	2 637
Operating profit	398	473	1 720	1 795
<i>Continuing operations incl restructuring costs/impairment losses</i>				
EBITDA	600	677	2 313	2 390
Operating profit	398	467	1 166	1 235

SEK M	Restructuring costs/impairment losses			
	Jan - March	2004	April 2004 -	Full year
	2005		March 2005	2004
Restructuring costs	-	-6	-241	-247
Impairment losses	-	-	-313	-313
Total	-	-6	-554	-560
<i>These costs and impairment losses are distributed among the relevant business areas as follows:</i>				
Trelleborg Automotive	-	-6	-251	-257
Trelleborg Engineered Systems	-	-	-103	-103
Trelleborg Wheel Systems	-	-	-200	-200
Total	-	-6	-554	-560

SEK M	Net sales			
	Jan - March	2004	April 2004 -	Full year
	2005		March 2005	2004
Trelleborg Automotive	2 302	2 393	9 091	9 182
Trelleborg Sealing Solutions	1 257	1 310	4 956	5 009
Trelleborg Engineered Systems	1 042	974	4 029	3 961
Trelleborg Wheel Systems	820	760	2 993	2 933
Trelleborg Building Systems	485	495	2 247	2 257
Eliminations	-112	-117	-425	-430
Total	5 794	5 815	22 891	22 912

SEK M	Operating profit before depreciations (EBITDA)			
	Jan - March	2004	April 2004 -	Full year
	2005		March 2005	2004
<i>Continuing operations excluding restructuring costs</i>				
Trelleborg Automotive	204	263	902	961
Trelleborg Sealing Solutions	207	228	816	837
Trelleborg Engineered Systems	103	95	412	404
Trelleborg Wheel Systems	85	75	290	280
Trelleborg Building Systems	33	40	246	253
Other companies	-2	0	-4	-2
Group items	-30	-18	-108	-96
Total	600	683	2 554	2 637
<i>Continuing operations including restructuring costs</i>				
Trelleborg Automotive	204	257	788	841
Trelleborg Sealing Solutions	207	228	816	837
Trelleborg Engineered Systems	103	95	369	361
Trelleborg Wheel Systems	85	75	206	196
Trelleborg Building Systems	33	40	246	253
Other companies	-2	0	-4	-2
Group items	-30	-18	-108	-96
Total	600	677	2 313	2 390

SEK M	Operating profit			
	Jan - March 2005	2004	April 2004 - March 2005	Full year 2004
<i>Continuing operations excluding restructuring costs and impairment losses</i>				
Trelleborg Automotive	114	170	531	587
Trelleborg Sealing Solutions	167	189	654	676
Trelleborg Engineered Systems	73	65	291	283
Trelleborg Wheel Systems	60	46	181	167
Trelleborg Building Systems	18	24	184	190
Other companies	-4	-3	-11	-10
Group items	-30	-18	-110	-98
Total	398	473	1 720	1 795
<i>Continuing operations including restructuring costs and impairment losses</i>				
Trelleborg Automotive	114	164	280	330
Trelleborg Sealing Solutions	167	189	654	676
Trelleborg Engineered Systems	73	65	188	180
Trelleborg Wheel Systems	60	46	-19	-33
Trelleborg Building Systems	18	24	184	190
Other companies	-4	-3	-11	-10
Group items	-30	-18	-110	-98
Total	398	467	1 166	1 235

	Operating margin, (ROS) % ¹⁾		
	April 2004 - March 2005	April 2003 - March 2004	Full year 2004
<i>Continuing operations excluding restructuring costs and impairment losses</i>			
Trelleborg Automotive	5,5	7,9	6,0
Trelleborg Sealing Solutions	13,2	12,2	13,5
Trelleborg Engineered Systems	7,2	6,4	7,1
Trelleborg Wheel Systems	6,1	5,0	5,7
Trelleborg Building Systems	8,0	8,6	8,3
Total	7,4	7,5	7,7
<i>Continuing operations including restructuring costs and impairment losses</i>			
Trelleborg Automotive	2,7	7,8	3,2
Trelleborg Sealing Solutions	13,2	12,2	13,5
Trelleborg Engineered Systems	4,7	6,4	4,5
Trelleborg Wheel Systems	-0,6	5,0	-1,1
Trelleborg Building Systems	8,0	8,6	8,3
Total	4,9	7,4	5,2

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

	Return on capital employed, (ROA) % ²⁾		
	April 2004 - March 2005	April 2003 - March 2004	Full year 2004
<i>Continuing operations excluding restructuring costs and impairment losses</i>			
Trelleborg Automotive	10,0	14,0	11,1
Trelleborg Sealing Solutions	10,5	9,2	10,9
Trelleborg Engineered Systems	15,7	12,8	15,2
Trelleborg Wheel Systems	12,3	8,4	10,9
Trelleborg Building Systems	20,3	20,9	21,0
Total	10,8	11,4	11,2
<i>Continuing operations including restructuring costs and impairment losses</i>			
Trelleborg Automotive	5,3	13,9	6,2
Trelleborg Sealing Solutions	10,5	9,2	10,9
Trelleborg Engineered Systems	10,2	12,8	9,7
Trelleborg Wheel Systems	-1,3	8,4	-2,1
Trelleborg Building Systems	20,3	20,9	21,0
Total	7,3	11,4	7,7

²⁾ Operating profit in relation to average capital employed.

SEK M	Capital employed ³⁾		
	March 31 2005	March 31 2005	Dec 31 2004
<i>Continuing operations</i>			
Trelleborg Automotive	5 362	5 465	5 132
Trelleborg Sealing Solutions	6 452	6 244	6 119
Trelleborg Engineered Systems	1 868	1 929	1 753
Trelleborg Wheel Systems	1 409	1 645	1 322
Trelleborg Building Systems	883	908	859
Other companies	144	152	144
Group items	-19	190	-33
Provisions for restructuring measures	-155	-	-184
Total	15 944	16 533	15 112

³⁾ Total assets less interest-bearing investments and no-interest bearing operating liabilities (including pension liabilities), and excluding tax receivables and tax liabilities.

SEK M	Jan - March		EBITDA excluding undistributed result from associated companies				Gross investments		Sold fixed assets		Change in working capital		Cash flow report		
													Total cash flow		
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	April 2004 - March 2005		
Trelleborg Automotive	208	265	-117	-118	1	1	-25	-174	67	-26	67	-26	433		
Trelleborg Sealing Solutions	212	234	-27	-40	0	1	-153	-76	32	119	32	119	492		
Trelleborg Engineered Systems	107	98	-14	-27	0	5	-16	-80	77	-4	77	-4	373		
Trelleborg Wheel Systems	88	78	-8	-15	1	29	-65	-98	16	-6	16	-6	279		
Trelleborg Building Systems	35	43	-12	-13	0	0	-19	-15	4	15	4	15	207		
Other companies	-2	0	-	-	-	-	1	0	-1	0	-1	0	-4		
Group items	-55	-42	-1	0	0	0	-16	-43	-72	-85	-72	-85	-187		
Operating cash flow	593	676	-179	-213	2	36	-293	-486	123	13	123	13	1 593		
Restructuring measures for which provisions were made in the acquisition balance sheet											-9	-81	-176		
Other restructuring measures											-31	-	-61		
Dividend paid to minority											-	0	-2		
Financial items											-56	-81	-263		
Paid tax											-93	-81	-391		
Free cash flow											-66	-230	700		
Acquisitions											-100	-311	-135		
Disposals											-	-	1097		
Dividend paid to shareholders											-	-	-396		
Exercise of warrants and call options											-	92	76		
Sum net cash flow											-166	-449	1 342		

Transition to reporting in accordance with IFRS (International Financing Reporting Standards)

Effective January 1, 2005, the Trelleborg Group reports in accordance with EU-approved International Financial Reporting Standards (IFRS). The transition is accounted for in accordance with IFRS "First-time Adoption of International Financial Reporting Standards," which stipulates that the comparative year 2004 shall also be reported in accordance with IFRS, with the exception of IAS 39 Financial Instruments: Recognition and Measurement, which is reported from January 1, 2005.

The primary changes for the Trelleborg Group are the adjustments to IFRS 3 Business Combinations and IAS 39 Financial Instruments: Recognition and Measurement. The tables below show shareholders' equity and net profit in accordance with IFRS and the effect of IAS 39 on the opening balance of shareholders' equity at January 1, 2005.

	January 1 2004	March 31 2004	December 31 2004
Shareholders' equity, SEK M			
Shareholders' equity in accordance with Swedish accounting principles	7 452	7 984	8 118
Goodwill amortization		100	403
Restructuring costs attributable to acquisitions in 2004		-6	-24
Goodwill amortization referring to disposals		7	
Tax	-14	-12	-9
Minority interest	152	165	128
Translation differences		2	-13
Shareholders' equity in accordance with IFRS	7 590	8 240	8 603
Adjustment of opening balance in accordance with IAS 39			14
Shareholders' equity January 1, 2005 in accordance with IFRS			8 617

	Jan - March 2004	Full year 2004
Profit for the period, SEK M		
Profit for the period, continuing operations in accordance with previous accounting principles	180	332
Reversal of goodwill amortization	100	403
Restructuring costs affecting calculation of goodwill	-6	-24
Tax	1	5
Profit for the period attributable to equity holders of the parent for continuing operations in accordance with IFRS	275	716
Profit for the period, discontinued operations in accordance with previous accounting principles	18	656
Goodwill amortization	7	
Profit for the period attributable to equity holders of the parent for discontinued operations in accordance with IFRS	25	656
Profit for the period attributable to equity holders of the parent for discontinued operations in accordance with previous accounting principles	198	988
Total profit for the period attributable to equity holders of the parent in accordance with IFRS	300	1 372

IFRS 1 – First-time adoption of IFRS

The standard contains transitional rules for the introduction of IFRS. The guiding principle is that EU-approved IFRS shall be applied retroactively, subject to certain exceptions:

- IFRS 3 Business Combinations shall be applied from January 1, 2004.
- IAS 39 shall be applied from January 1, 2005.

The Trelleborg Group reports in accordance with the above permitted exceptions.

IFRS 3 – Business Combinations

IFRS 3 stipulates that goodwill and other intangible assets with an indefinite useful life are no longer amortized but, instead, impairment testing is conducted on an annual basis, or more frequently if there is an indication of impairment in value. The Trelleborg Group conducted impairment testing in the fourth quarter of 2004 to determine the value of goodwill. This testing did not indicate any impairment losses. In conjunction with the transition to IFRS, goodwill amortization was reversed in an amount of SEK 100 M for the first quarter of 2004 and in an amount of SEK 403 M for the full year 2004. Impairment testing will be conducted annually during the fourth quarter or whenever there is any indication of impairment in value.

IFRS 3 also entails changes in the rules for allocating the cost of an acquisition between goodwill and other intangible fixed assets. Only minor acquisitions were made in 2004 and an analysis by the Group shows that the intangible assets pertained to goodwill. Restructuring reserves that have affected the calculation of goodwill are not permitted. An adjustment has been made for the restructuring reserves that affected the goodwill amount for acquisitions made in 2004. This adjustment amounted to SEK 6 M for the first quarter of 2004 and SEK 24 M for the full year 2004.

IAS 39 – Financial Instruments: Recognition and Measurement

The Trelleborg Group applies hedge accounting for financial instruments with the purpose of hedging the following financial risks:

- Transaction exposure; hedging of forecast and contracted external commercial currency flows.
- Interest-rate risk; interest-rate derivatives taken out to secure the desired rate of interest on the Group's net debt.
- Translation exposure in the balance sheet; hedging of net assets in foreign currencies.

The market value of all derivatives is assessed on an ongoing basis. Changes in the market value of the above financial instruments are reported in the balance sheet as shareholders' equity in cases where hedge effectiveness is presumed to exist.

The Group has foreign exchange forwards that aim to hedge inter-company commercial currency flows. These foreign exchange forwards are valued at market (fair) value and changes in fair value affect the income statement since IAS 39 does not presently permit hedge accounting for the hedging of inter-company currency flows.

The Group assesses that embedded derivatives do not exist.

The application of IAS 39 has increased the opening balance of shareholders' equity at January 1, 2005 by SEK 14 M, net after tax.