



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

JANUARY – SEPTEMBER 2005

CONTINUED FAVORABLE GROWTH FOR THE TRELLEBORG GROUP

During the third quarter of 2005, the Trelleborg industrial Group increased its net sales to SEK 5,846 M (5,460). Organic growth was approximately 4 percent. Operating profit rose to SEK 425 M (383). For the third quarter, all five business areas reported increased net sales and improved operating profits.

- During the third quarter, net sales rose to SEK 5,846 (5 460), and during the period January – September to SEK 17 988 M (17 383).

- Profit after tax:

	<u>Third quarter:</u>	<u>January - September:</u>
• Continuing operations	SEK 284 M (233)	SEK 884 M (788)
• Divested operations	— SEK M (—)	— SEK M (656)
• Total profit for the period	SEK 284 M (233)	SEK 884 M (1 444)

- Earnings per share for the third quarter amounted to SEK 3.10 (2.55) and to SEK 9.70 (16.30) for the period January - September.

- Key operating ratios for continuing operations, excluding restructuring costs and impairment losses:

	<u>Third quarter:</u>	<u>January - September:</u>
• Operating profit	SEK 425 M (389)	SEK 1,370 M (1,379)
• Profit before tax	SEK 392 M (317)	SEK 1,217 M (1,150)
• Profit for the period	SEK 284 M (238)	SEK 884 M (838)
• Earnings per share	SEK 3.10 (2.65)	SEK 9.70 (9.40)

- Peter Nilsson was appointed as the new President and CEO of the Trelleborg Group effective October 1, 2005. CFO Bo Jacobsson has been appointed First Executive Vice President of the Group. Lennart Johansson has been appointed the new Business Area President for Trelleborg Engineered Systems.

- Following the close of the period, an agreement was signed regarding the acquisition of the operations of Chase-Walton Elastomers Inc., with annual sales of approximately SEK 100 M and about 110 employees in Hudson, Massachusetts. The company manufactures precision seals, primarily for the aerospace industry.

- The focus on growth in Asia has been further strengthened and several initiatives have been taken to increase presence and production capacity. The construction of Trelleborg's new plant in Shanghai, China has begun. At the same time, production capacity is also being extended in India and Sri Lanka.

- As a consequence of successful efforts during the year to focus Trelleborg as a streamlined industrial group with the business concept of damping, sealing and protecting in demanding industrial environments, Morgan Stanley Capital International (MSCI) has reclassified Trelleborg as belonging to the "Industrial" sector.

Effective 2005, Trelleborg applies The European Commission 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 for more detailed information.

Nine-month report 2005

SEK M	Key Ratios, Group					
	July - Sep		Jan - Sep		Oct 2004 -	Full year
Key ratios	2005	2004	2005	2004	Sep 2005	2004
<i>Continuing operations</i>						
Net sales	5 846	5 460	17 988	17 383	23 517	22 912
Operating profit	425	383	1 370	1 301	1 304	1 235
Profit before tax	392	311	1 217	1 072	1 093	948
Profit for the period	284	233	884	788	826	730
<i>Discontinued operations</i>						
Operating profit	-	-	-	656	-	656
Profit before tax	-	-	-	656	-	656
Profit for the period	-	-	-	656	-	656
Total operating profit	425	383	1 370	1 957	1 304	1 891
Total profit before tax	392	311	1 217	1 728	1 093	1 604
Total profit for the period	284	233	884	1 444	826	1 386
- attributable to equity holders of the parent	280	232	873	1 431	814	1 372
- attributable to minority interest	4	1	11	13	12	14
Earnings per share, SEK ¹⁾	3,10	2,55	9,70	16,30	8,95	15,55
Free cash flow per share, SEK ²⁾	2,95	3,35	7,75	5,20	8,60	6,05
Shareholders' equity per share, SEK			106,50	97,15	106,50	94,45
Financial interest-bearing net assets/liabilities			-7 159	-7 259	-7 159	-6 951
Debt/equity ratio, %			73	82	73	81
Return on shareholders' equity, %	11,8	10,7	12,9	23,6	8,9	17,2
Operating key ratios						
<i>Continuing operations, excluding restructuring costs and impairment losses</i>						
Operating profit	425	389	1 370	1 379	1 786	1 795
Profit before tax	392	317	1 217	1 150	1 575	1 508
Profit for the period	284	238	884	838	1 168	1 122
Earnings per share, SEK ¹⁾	3,10	2,65	9,70	9,40	12,85	12,55
Operating margin (ROS), % ³⁾			7,5	7,9	7,5	7,7
Return on capital employed (ROA), % ³⁾			11,1	11,3	11,1	11,2
Return on shareholders' equity, %	11,8	10,9	12,9	13,6	12,6	13,9
Operating cash flow	509	513	1 261	1 116	1 628	1 483
Operating cash flow per share, SEK ⁴⁾	5,65	5,80	14,00	12,70	18,10	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 and disposals after tax and cash flow related to shareholders

3) Based on rolling 12-months values

4) Operating cash flow related to the average number of shares outstanding

GROUP

Net sales, profit and earnings per share

Third quarter

Net sales for the Trelleborg Group during the third quarter of 2005 amounted to SEK 5,846 M (5,460). Organic growth was 4 percent. All five of Trelleborg's business areas increased their net sales and reported improved operating profits.

Consolidated operating profit amounted to SEK 425 M (383). Profit before tax amounted to SEK 392 M (311). Net profit was SEK 284 M (233), while earnings per share were SEK 3.10 (2.55). Net financial items included SEK 19 M from a gain on a closed interest-rate swap during the quarter.

For continuing operations, excluding restructuring costs and impairment losses, operating profit amounted to SEK 425 M (389). Profit before tax was SEK 392 M (317) and net profit was SEK 284 M (238). Earnings per share were SEK 3.10 (2.65).

Period January - September

Net sales for the Trelleborg Group during the period January - September 2005 amounted to SEK 17,988 M (17,383). Organic growth was slightly more than 3 percent.

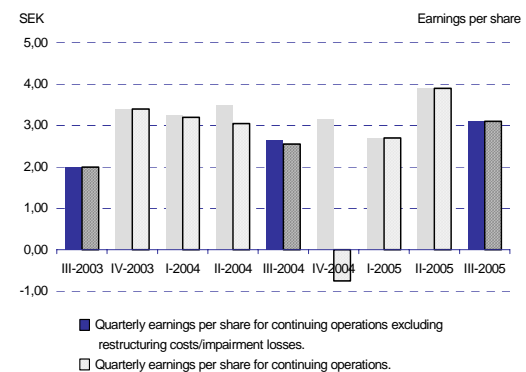
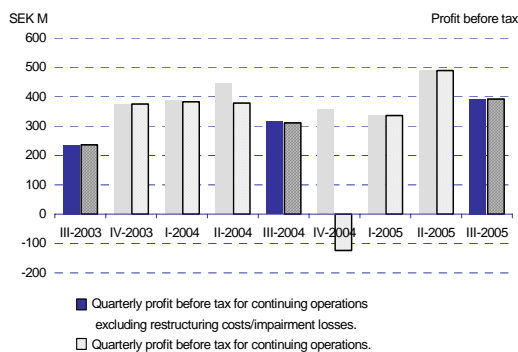
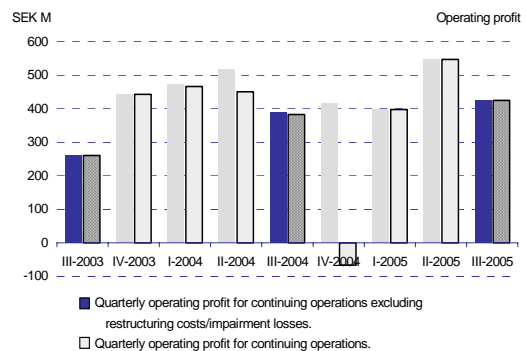
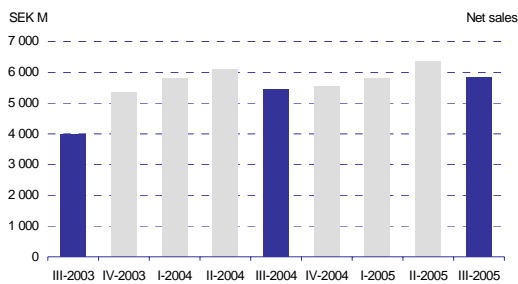
Consolidated operating profit amounted to SEK 1,370 M (1,957). Profit before tax amounted to SEK 1,217 M (1,728). Net profit was SEK 884 M (1,444), while earnings per share were SEK 9.70 (16.30). Profit for the period January - September 2004 included capital gains and the participation in the profit of Trenor of SEK 656 M.

For continuing operations, excluding restructuring costs and impairment losses, operating profit amounted to SEK 1,370 M (1,379). Earnings before tax amounted to SEK 1,217 M (1,150), while net profit amounted to SEK 884 M (838). Earnings per share were SEK 9.70 (9.40). The consolidated operating margin (rolling 12 months) amounted to 7.5 percent (7.9).

Balance sheet, cash flow and investments for January - September 2005

Consolidated operating cash flow for the period January - September improved to SEK 1,261 M (1,116), primarily due to a lower level of investments and more efficient handling of working capital. The level of investment was SEK 627 M (725). At the end of the period, consolidated capital employed was SEK 16,552 M (15,877). The increase was entirely attributable to exchange-rate effects. Net financial debt amounted to SEK 7,159 M (7,259). The debt-equity ratio at the end of the period amounted to 73 percent (82) and the equity-assets ratio was 40.3 percent (38.2). At the end of the period, shareholders' equity per share (net 90.4 million outstanding) amounted to SEK 106.50 (97.15). Return on shareholders' equity was 12.9 percent (23.6).

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



OTHER

Peter Nilsson new President and Chief Executive Officer of Trelleborg AB

The Board of Trelleborg AB has appointed **Peter Nilsson**, President of the Trelleborg Engineered Systems business area, as new President and CEO of the Trelleborg Group. Peter Nilsson took up his new duties on October 1, 2005.

Peter Nilsson, who is 39 years old and has an M. Sc Eng. degree, has been with the Group since 1995, working in two business areas and in various positions with overall responsibility for operations in Europe, North America and Asia. Since 2003, Peter Nilsson has been a member of Group management.

In connection with Peter Nilsson's appointment as President, CFO **Bo Jacobsson** was also appointed First Executive Vice President of the Trelleborg Group. George Caplea, President of the Trelleborg Automotive business area continues as Executive Vice President.

Lennart Johansson has been appointed the new President of the Trelleborg Engineered Systems business area. Lennart Johansson is 45 years old, has a Master of Science degree and has worked within the Kemira Group since 1998. He is currently the President and Business Area Manager for Kemira Kemwater, the President of Kemira AB and a member of Kemira's Group Management. Lennart Johansson will begin his new assignment on November 1, 2005.

Acquisitions

Through the Trelleborg Wheel Systems business area, Trelleborg has acquired the French company Cimap Roues Industrielles SAS, which has sales of approximately SEK 40 M and holds a leading position in industrial tires in France.

Following the close of the period, an agreement was signed regarding the acquisition of the operations of Chase-Walton Elastomers Inc., with annual sales of approximately SEK 100 M and about 110 employees at two production units in Hudson, Massachusetts, in the US. Chase-Walton Elastomers designs, develops and manufactures polymer components in silicone, primarily for the aerospace, medical technology and biotech industries. The formal takeover of the business is estimated to become effective on October 27, 2005. The acquired operations will be integrated fully within Trelleborg Sealing Solutions' operations.

Reclassification of Trelleborg by MSCI

As a consequence of the successful process of focusing Trelleborg as a streamlined industrial group with the business concept of damping, sealing and protecting in demanding industrial environments, Morgan Stanley Capital International (MSCI) has reclassified Trelleborg as belonging to the 20106020 "Machinery" sector. Trelleborg AB was previously classified under sector 25101020 "Tires and Rubber." The classification follows the Global Industry Classification Standard (GICS), the sector standard used by all of the Nordic stock exchanges. Trelleborg will remain in the Stockholm Stock Exchange's All-share and Benchmark indexes. The reclassification means that Trelleborg is included in the following sector indexes of the Stockholm Stock Exchange, effective September 15:

Sector	SX20PI	Industrials	(previously 25 Consumer Discretionary)
Industry Group	SX2010PI	Capital Goods	(previously 2510 Automobiles and Components)
Industry	SX251060PI	Industrial Machinery	(previously 251010 Auto Components)

Nominations Committee

At Trelleborg AB's Annual General Meeting on April 26, 2005, the Chairman of the Board was assigned the task of asking five representatives for the Company's largest shareholders to form a Nominations Committee that shall prepare proposals regarding Board members to be presented to the 2006 Annual General Meeting for resolution. The following persons have been asked to participate in the Nominations Committee and have agreed: Didrik Normark, Henry and Gerda Dunkers Foundation, Mats Lagerqvist, Robur, Ramsay Brufer, Alecta, Torsten Johansson, Handelsbanken Fonder and Lars Öhrstedt, AFA/TFA.

PARENT COMPANY

Effective January 1, 2005, the Parent Company applies recommendation RR32 of the Swedish Financial Accounting Standards Council. The opening balance of shareholders' equity rose by SEK 191 M.

Profit before tax for Trelleborg AB, the Parent Company of the Trelleborg Group, for the period January – September amounted to SEK 302 M (109). There were no sales. Investments amounted to SEK 8 M (1). The average number of employees was 79 (73).

OUTLOOK

For the fourth quarter, growth is expected to remain favorable in aerospace and oil/gas, but is expected to level off in the agricultural and transport sectors. In other industries, demand is expected to vary between sectors. In construction and infrastructure-related sectors, demand is also expected to vary between different geographical sub-markets, with favorable demand expected in Scandinavia. In the automotive industry, a weakly negative trend is expected in Trelleborg's principal markets. Trelleborg is expected to be able to develop at the same level as its underlying markets or somewhat better.

For the full year, the Trelleborg Group's profits, after tax and for continuing units, excluding restructuring costs, are expected to be in line with 2004.

An increase in prices for polymer-based raw materials is expected to have a renewed impact, beginning in the fourth quarter of 2005. This is assessed to have a certain negative effect within Trelleborg Automotive. The other business areas are expected to be able to offset the effect. The price level for steel-related raw materials is expected to level off in 2006 at a somewhat lower average level than in 2005. Efficiency-improvement measures, price adjustments and intensified and active procurement work remains a priority in offsetting the negative effects of a higher cost level for raw materials.

Extensive efforts and market initiatives are being undertaken to increase growth in selected product segments and bolster expansion in prioritized geographical markets.

Trelleborg, October 26, 2005

Peter Nilsson

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, October 26 at 10:00 CET

A telephone conference will be held on October 26 at 10:00 CET. Call +44 20 71 62 01 83 and state the password "Trelleborg." Presentation materials will be available at www.trelleborg.com from about 30 minutes 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 679282.

Calendar

Year-end report 2005	February 15, 2006
Printed Annual Report	Distribution during week 13, 2006
Annual General Meeting	April 25, 2006

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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 Trelleborg AB (publ) • Reg. no. 556006-3421 • Box 153 • SE-231 22 Trelleborg, Sweden • Phone: +46 410-670 00 • Fax: +46 410-427 63 • E-mail: info@trelleborg.com • Internet: www.trelleborg.com

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	July - Sep		Jan - Sep		Oct 2004 - Sep 2005	Full year 2004
	2005	2004	2005	2004		
<i>excluding restructuring costs and impairment losses</i>						
Net sales	2 295	2 122	7 070	6 995	9 257	9 182
Operating profit	96	91	396	436	547	587
ROS, % ¹⁾			5,6	7,0	5,6	6,0
ROA, % ¹⁾			10,2	12,6	10,2	11,1
Capital employed			5 592	5 272	5 592	5 132
Operating cash flow	99	118	443	333	450	340
<i>including restructuring costs and impairment losses</i>						
Operating profit	96	85	396	358	368	330
ROS, % ¹⁾			3,6	6,1	3,6	3,2
ROA, % ¹⁾			6,9	11,2	6,9	6,2

1) Based on rolling 12-months values

Favorable sales trend in North America

During the third quarter of 2005, car production in North America was at the same level as in 2004 and for the period January-September, the decline was slightly less than 2 percent. Inventory levels in North America continued to decline during the quarter. In Europe, production during the third quarter declined by slightly less than 4 percent, with a more substantial decline in Western Europe. For the period January-September, the decline was slightly more than 1 percent. (Source: JP Powers/Trelleborg). Recent concern within the North American automotive industry is currently expected to have a limited effect on Trelleborg. The accounts receivable exposure in relation to Delphi is marginal.

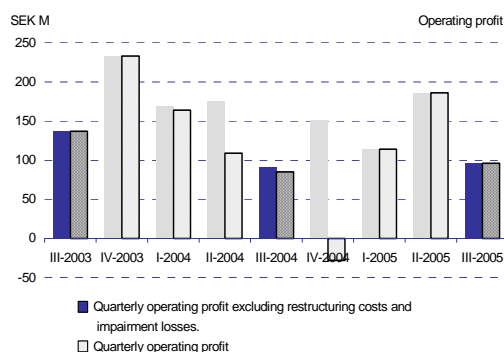
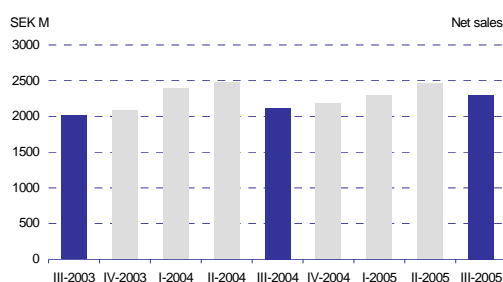
In comparable currencies/units, the business area's sales during the period January-September were at the same level as in 2004. During the third quarter, sales in comparable currencies/units rose by 3 percent.

During the third quarter, Trelleborg Automotive had continued favorable sales growth in North America, where the business area has captured market shares and developed better than the underlying market. In Europe reduced volumes and mix have affected earnings.

Net capitalized development costs after amortization within Trelleborg Automotive amounted to SEK 36 M (36), and for the period January-September, to SEK 90 M (87).

The business area's strong global technology platform in its antivibration operations continues to generate favorable order bookings, bolster the business area's strong position as supplier to the automotive industry's globally developed platforms.

Both in North America and Europe, favorable productivity, successful efficiency improvements and the rationalization of operations have partly offset price increases for raw materials. The negative impact of price increases for raw materials was reduced compared with the first six months of 2005. A rise in prices for polymer-based raw materials is expected to have a renewed impact beginning during the fourth quarter of 2005.



Trelleborg Sealing Solutions

SEK M	July - Sep		Jan - Sep		Oct 2004 -	Full year
	2005	2004	2005	2004	Sep 2005	2004
Net sales	1 252	1 228	3 878	3 833	5 054	5 009
Operating profit	170	150	543	533	686	676
ROS, % ¹⁾			13,6	12,9	13,6	13,5
ROA, % ¹⁾			10,7	10,5	10,7	10,9
Capital employed			6 716	6 138	6 716	6 119
Operating cash flow	194	167	411	440	550	579

1) Based on rolling 12-months values

Favorable growth in prioritized industrial segments

In prioritized industrial segments, the sales trend for Trelleborg Sealing Solutions remained favorable during the third quarter, while sales to the automotive industry in North America and Western Europe declined, partly as a consequence of the business area's strategy of continued focus on selected niche areas. In comparable currencies/units, sales rose by 1 percent during the period January-September.

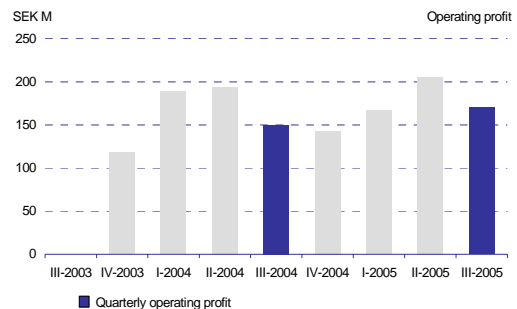
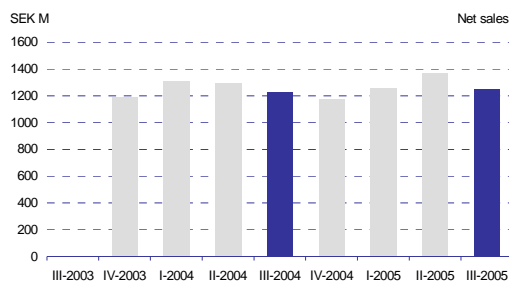
The positive sales trend in prioritized segments has resulted in an improved operating margin.

During the third quarter, Trelleborg Sealing Solutions continued to strengthen its presence in strategic segments and geographic areas with the rapid build-out of the marketing and distribution organization in North America and Asia. In Europe too, activities are under way to further strengthen delivery reliability through continued development and improvement of the business area's entire supply chain.

Construction began of the new plant in Shanghai, China. The plant will increase production capacity for high-quality precision seals in materials including PTFE (a low-friction material) and will facilitate further expansion in Asia through increased service to new and existing customers in the region. The unit will also house a technical center and a sales office. Production is expected to commence during the first half of 2006. Initially, the plant is expected to employ approximately 200 people.

The integration of Rollon Hydraulics Pvt in Bangalore, India, has been completed and operations are developing favorably.

Following the close of the period, an agreement was signed regarding the acquisition of the operations of Chase-Walton Elastomers Inc., with annual sales of approximately SEK 100 M and about 110 employees at two production units in Hudson, Massachusetts, in the US. Chase-Walton Elastomers designs, develops and manufactures polymer components in silicone, primarily for the aerospace, medical technology and biotech industries. The acquired operations will be integrated fully within Trelleborg Sealing Solutions existing global operations. The formal takeover of the business is estimated to become effective on October 27, 2005.



Trelleborg Engineered Systems

SEK M	July - Sep		Jan - Sep		Oct 2004 -	Full year
	2005	2004	2005	2004	Sep 2005	2004
<i>excluding restructuring costs and impairment losses</i>						
Net sales	1 042	948	3 326	3 082	4 377	4 133
Operating profit	70	58	235	208	320	293
ROS, % ¹⁾			7,3	6,8	7,3	7,1
ROA, % ¹⁾			17,1	14,4	17,1	15,6
Capital employed			1 913	1 865	1 913	1 758
Operating cash flow	106	120	271	237	355	321
<i>including restructuring costs and impairment losses</i>						
Operating profit	70	58	235	208	202	175
ROS, % ¹⁾			4,6	6,8	4,6	4,2
ROA, % ¹⁾			10,9	14,4	10,9	9,3

1) Based on rolling 12-months values

Positive sales and profit trend

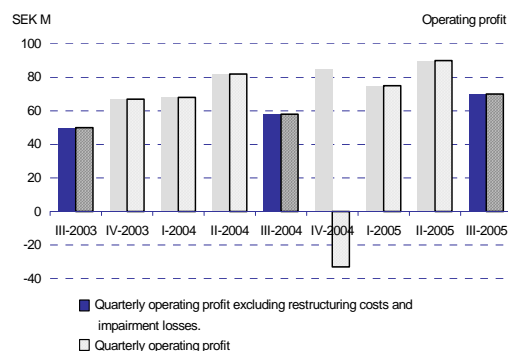
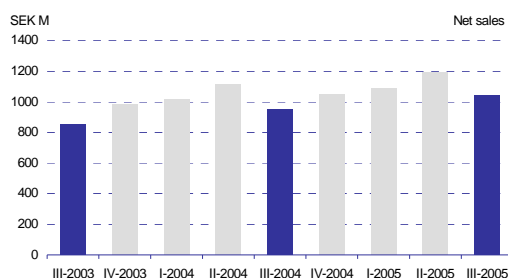
Trelleborg Engineered Systems experienced ongoing strong demand in most product segments during the third quarter of 2005. In comparable currencies/units, sales by the business area during the period January - September were up by slightly more than 7 percent on the preceding year.

The continued strong focus on selected segments with favorable profitability in Industrial Fluid Systems contributed positively to profits, as did strong sales in project-related operations.

During the quarter, the business area secured several major orders for project deliveries in the area of oil/gas. An international breakthrough that opens up new opportunities has occurred with the first major order for the unique Trelline® pipe system for oil projects in deep-water environments, developed by Trelleborg. The system will be used for connection to an FPSO (Floating Production, Storage and Offshore Loading – floating oil tanker). The unique pipe system is the first of its kind for demanding deep-water environments. The value of this initial order is estimated at approximately SEK 100 M. Delivery will take place during 2006.

Trelleborg has signed a four-year framework agreement with Canadian Natural Resources, CNR International (UK) Limited, regarding the upgrading of solutions for fire safety and sealing on all CNR platforms in the North Sea. The framework agreement includes Elastopipe™, a polymer-based sprinkler system with unique patented characteristics able to withstand extreme temperatures, explosions and corrosion.

Lennart Johansson has been appointed to succeed Peter Nilsson as President of the Trelleborg Engineered Systems business area and will assume this position on November 1, 2005. Lennart Johansson is 45 years old, has a Master of Science degree and has worked within the Kemira Group since 1998. He is currently the President and Business Area Manager for Kemira Kemwater, the President of Kemira AB and a member of Kemira's Group Management.



Trelleborg Wheel Systems

SEK M	July - Sep		Jan - Sep		Oct 2004 -	Full year
	2005	2004	2005	2004	Sep 2005	2004
<i>excluding restructuring costs and impairment losses</i>						
Net sales	721	645	2 291	2 041	2 972	2 722
Operating profit	55	39	176	124	209	157
ROS, % ¹⁾			7,0	5,3	7,0	5,8
ROA, % ¹⁾			15,0	8,8	15,0	10,4
Capital employed			1 422	1 496	1 422	1 317
Operating cash flow	66	70	197	150	275	228
<i>including restructuring costs and impairment losses</i>						
Operating profit	55	39	176	124	24	-28
ROS, % ¹⁾			0,7	5,3	0,7	-1,0
ROA, % ¹⁾			1,6	8,8	1,6	-1,8

1) Based on rolling 12-months values

Continued strong growth in sales and earnings

Trelleborg Wheel Systems experienced a continued strong trend in both agricultural and industrial tires during the third quarter. During the period January-September 2005, sales in comparable currencies/units rose by 12 percent compared with 2004.

Operating profit for the period rose by slightly more than 40 percent compared with the year-earlier period, a consequence of increased sales volumes, new OEM customers, favorable product mix and high utilization of capacity. Price hikes offset increased costs for raw materials.

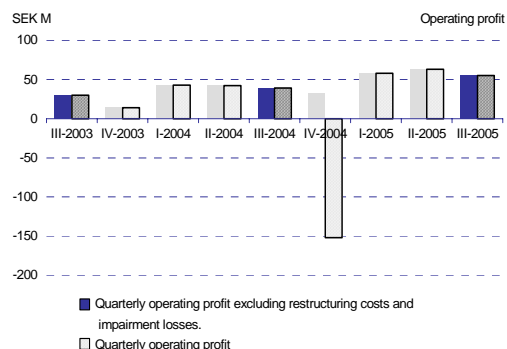
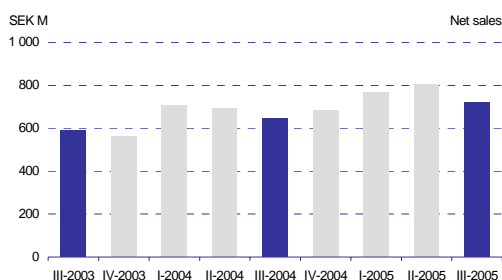
The market for agricultural tires in Europe was stable, although with certain tendencies towards decreased demand compared with 2004. The business area has continued to capture market shares.

The market for industrial tires has continued to expand in North America and Asia, while in Europe certain tendencies towards stabilization can be discerned. Improved production capacity at the business area's plant in Sri Lanka is boosting the opportunities for growth in the business area's development markets, that is, markets outside Western Europe and North America.

The French company Cimap Roues Industrielles SAS, part of the family-owned CIMAP Group, was acquired during the period. Since 1999, Cimap Roues Industrielles, which holds a leading position in industrial tires in France, has been a distributor of Trelleborg's industrial tires. The company has sales of approximately SEK 40 M and about ten employees at its head offices in Paris and a central warehouse in Bordeaux.

Through this acquisition, Trelleborg Wheel Systems strengthens its position in the important after-market for industrial tires in France. Cimap Roues Industrielles will be integrated fully with the business area's current organization in industrial tires in France.

The closure and transfer of tire production from the facility in the town of Trelleborg is proceeding according to plan.



Trelleborg Building Systems

SEK M	July - Sep		Jan - Sep		Oct 2004 -	Full year
	2005	2004	2005	2004	Sep 2005	2004
Net sales	626	606	1 727	1 711	2 273	2 257
Operating profit	73	71	153	156	187	190
ROS, % ¹⁾			8,1	8,3	8,1	8,3
ROA, % ¹⁾			20,7	20,9	20,7	21,0
Capital employed			901	938	901	859
Operating cash flow	83	68	135	102	251	218

1) Based on rolling 12-months values

Favorable sales in Waterproofing

Demand in the Scandinavian construction market remained strong in the third quarter of 2005.

In comparable currencies/units, sales by Trelleborg Building Systems in the period January - September 2005 were up by approximately 3 percent on the preceding year.

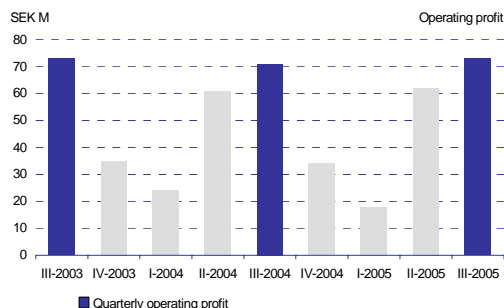
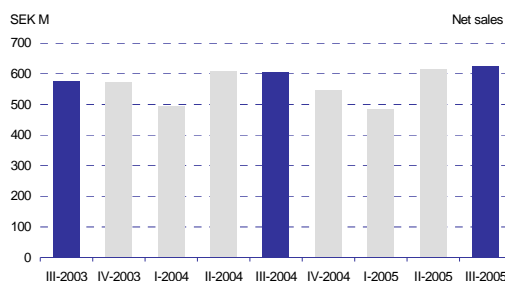
The business area's cash flow during the quarter was favorable, partly as a consequence of beneficial effects of the ongoing capital-rationalization project.

Strong sales in Waterproofing, with favorable growth and new customers, primarily in roofing operations in Denmark, affected profits positively. An improved production structure also contributed favorably to profits.

Increased competition in the building-supplies market is being met with continued development of new distribution channels and focus on new, innovative products that offer greater value added for customers.

As a consequence of successful market activities, the sales trend in the Pipe Seals segment has been highly favorable. Profits were affected positively by increased efficiency and an improved cost structure resulting from the structural changes of the past year. On October 1, the operations of the small Swedish company VA Forum were acquired, with sales of approximately SEK 5 M and operations in the Swedish after-market for pipe seals.

In Sealing Profiles, highly refined products offering favorable profitability continue to be given gradually increased priority. In line with this, the business area has chosen to decline orders offering unacceptably low margins, which has had a negative affect on growth and profits.



Financial Reporting

Income Statements¹⁾

Group	July - Sep		Jan - Sep		Oct 2004 -	Full year
SEK M	2005	2004	2005	2004	Sep 2005	2004
<i>Continuing operations</i>						
Net sales	5 846	5 460	17 988	17 383	23 517	22 912
Cost of goods sold	-4 287	-3 987	-13 099	-12 613	-17 534	-17 048
Gross profit	1 559	1 473	4 889	4 770	5 983	5 864
Selling expenses	-506	-480	-1 543	-1 477	-2 079	-2 013
Administrative expenses	-586	-559	-1 805	-1 765	-2 426	-2 386
Research and development costs	-105	-107	-347	-359	-481	-493
Other operating income/expense	55	49	156	110	272	226
Profit from participation in associated companies	8	7	20	22	35	37
Operating profit	425	383	1 370	1 301	1 304	1 235
Financial income and expenses	-33	-72	-153	-229	-211	-287
Profit before tax	392	311	1 217	1 072	1 093	948
Tax	-108	-78	-333	-284	-267	-218
Profit for the period	284	233	884	788	826	730
<i>Discontinued operations</i>						
Result from participation in Trenor	-	-	-	47	-	47
Result from sales of shares in Trenor	-	-	-	609	-	609
Operating profit	-	-	-	656	-	656
Profit before tax	-	-	-	656	-	656
Profit for the period	-	-	-	656	-	656
Total operating profit	425	383	1 370	1 957	1 304	1 891
Total profit before tax	392	311	1 217	1 728	1 093	1 604
Total profit for the period	284	233	884	1 444	826	1 386
- attributable to equity holders of the parent	280	232	873	1 431	814	1 372
- attributable to minority interest	4	1	11	13	12	14

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

Earnings per share	July - Sep		Jan - Sep		Oct 2004 -	Full year
SEK	2005	2004	2005	2004	Sep 2005	2004
<i>Continuing operations</i>						
Earnings ¹⁾	3,10	2,55	9,70	8,80	9,00	8,10
Diluted earnings ²⁾	3,10	2,55	9,70	8,80	9,00	8,10
<i>Total</i>						
Earnings ¹⁾	3,10	2,55	9,70	16,30	8,95	15,55
Diluted earnings ²⁾	3,10	2,55	9,70	16,30	8,95	15,55
Number of shares						
<i>Excluding own holdings</i>						
End of period	90 357 261	89 717 261	90 357 261	89 717 261	90 357 261	89 717 261
¹⁾ Average number	90 357 261	89 717 261	90 101 261	87 894 469	90 012 646	88 315 113
End of period after dilution	90 357 261	89 770 198	90 357 261	89 770 198	90 357 261	89 728 866
²⁾ Average number after dilution	90 357 261	89 417 223	90 101 261	87 947 406	90 114 173	88 326 738
<i>Treasury shares</i>						
End of period	5 623 100	6 263 100	5 623 100	6 263 100	5 623 100	6 263 100
Average number	5 623 100	6 263 100	5 879 100	6 531 550	5 967 715	6 469 600

Balance Sheets

Group SEK M	Sep 30 2005	Sep 30 2004	Dec 31 2004
Intangible fixed assets	7 811	7 334	7 180
Tangible fixed assets	5 638	5 869	5 399
Financial fixed assets	900	750	873
Total fixed assets	14 349	13 953	13 452
Inventories	3 068	2 862	2 826
Current operating receivables	6 132	5 737	5 366
Interest-bearing current receivables	88	0	33
Cash and cash equivalents	678	630	475
Total current assets	9 966	9 229	8 700
Total assets	24 315	23 182	22 152
Shareholders' equity, excluding minority share	9 624	8 718	8 475
Minority share	163	136	128
Total shareholders' equity	9 787	8 854	8 603
Long-term interest-bearing liabilities	7 680	7 596	7 150
Other long-term liabilities	1 261	1 222	1 197
Total long-term liabilities	8 941	8 818	8 347
Interest-bearing current liabilities	248	294	310
Other current liabilities	5 339	5 216	4 892
Total current liabilities	5 587	5 510	5 202
Total shareholders' equity and liabilities	24 315	23 182	22 152
Specification of changes in shareholders' equity	Sep 30	Sep 30	Dec 31
SEK M	2005	2004	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	-	207	207
New share issue in connection with exercise of warrants	-	89	89
Transfer of treasury shares at exercise of call options	78	79	79
Cash flow hedges, net after tax	-29	-	-
Translation difference	860	20	-306
Exchange-rate difference for the period on hedging instruments after tax	-195	-21	123
Profit for the period	873	1 431	1 372
Dividend	-452	-396	-396
Closing balance	9 624	8 718	8 475
<i>Attributable to minority interest</i>			
Opening balance, January 1	128	152	152
Acquisitions	-	-29	-27
Translation difference	25	2	-9
Profit for the period	11	13	14
Dividend	-1	-2	-2
Closing balance	163	136	128
Sum Closing balance, shareholders' equity	9 787	8 854	8 603

SEK M	July - Sep		Jan - Sep		Oct 2004 -	Full year
	2005	2004	2005	2004	Sep 2005	2004
Operating activities						
Operating profit	425	383	1 370	1 957	1 304	1 891
Adjustments for items not included in cash flow:						
Result from disposal of Trenor	-	-	-	-609	-	-609
Amortization, intangible assets	16	9	43	23	54	34
Depreciation, tangible assets	201	199	584	609	783	808
Impairment losses	-	-	-	-	313	313
Provisions for restructuring measures	-	0	-	60	163	223
Undistributed result from participation in associated companies	-6	-7	21	-19	8	-32
	636	584	2 018	2 021	2 625	2 628
Interest received and other financial items	-96	-31	17	46	2	31
Interest paid and other financial items	-37	-50	-178	-220	-277	-319
Taxes paid	-68	-59	-272	-279	-372	-379
Cash flow from ongoing operations before changes in working capital	435	444	1 585	1 568	1 978	1 961
Cash flow from changes in working capital:						
Change in inventories	3	-38	-15	-84	-77	-146
Change in operating receivables	321	499	-237	-485	-41	-289
Change in operating liabilities	-248	-267	57	337	-70	210
Utilization of restructuring provisions	-12	-26	-80	-26	-84	-30
Cash flow from ongoing operations	499	612	1 310	1 310	1 706	1 706
Investing activities						
Business combinations	-14	36	-127	-336	-137	-346
Restructuring measures in business combinations	-27	-54	-47	-180	-115	-248
Disposals	-	-	-	1 097	-	1 097
Gross investments in intangible fixed assets	-51	-51	-131	-130	-171	-170
Gross investments in tangible fixed assets	-179	-219	-496	-595	-742	-841
Sale of fixed assets	27	5	65	52	104	91
Cash flow from investing activities	-244	-283	-736	-92	-1 061	-417
Financing activities						
Change in interest-bearing investments	60	-	-19	156	-42	133
Change in interest-bearing liabilities	-309	-842	5	-1 518	-182	-1 705
Dividend paid to shareholders	-	-	-452	-396	-452	-396
Dividend paid to minority	-	-	-1	-2	-1	-2
New share issue in connection with the exercise of warrants	-	-	-	89	-	89
Transfer of treasury shares in connection with exercise of call options	-	-	78	79	78	79
Cash flow from the financing activities	-249	-842	-389	-1 592	-599	-1 802
Cash flow for the period	6	-513	185	-374	46	-513
Cash and cash equivalents:						
At beginning of the period	673	1 152	475	999	630	999
Reclassification at beginning of the period	-	-	-36	-	-36	-
Exchange rate differences	-1	-9	54	5	38	-11
Cash and cash equivalents at end of period	678	630	678	630	678	475

Acquisitions January - September

SEK M	2005		2004	
	Within Sealing Solutions, Engineered Systems and Wheel Systems	Metzeler Automotive Hose Systems	Others	
Purchase price incl. acquisition expenses	127	271	65	
Net realizable value of acquired assets	50	250	39	
Goodwill	77	21	26	
Acquired assets and liabilities:				
Tangible fixed assets	26	138	2	
Associated companies	3	-	-	
Operating assets	33	274	8	
Cash and cash equivalents	-	31	-	
Minority share	-	-	29	
Operating liabilities	-12	-162	0	
	50	281	39	
Cash and cash equivalents	-	-31	-	
Total	50	250	39	

Group review

SEK M	July - Sep		Jan - Sep		Oct 2004 -	Full year
	2005	2004	2005	2004	Sep 2005	2004
<i>Continuing operations excl restructuring costs and impairment losses</i>						
Net sales	5 846	5 460	17 988	17 383	23 517	22 912
EBITDA	642	597	1 997	2 011	2 623	2 637
Operating profit	425	389	1 370	1 379	1 786	1 795
Profit for the period	284	238	884	838	1 168	1 122
<i>Continuing operations incl restructuring costs and impairment losses</i>						
EBITDA	642	591	1 997	1 933	2 454	2 390
Operating profit	425	383	1 370	1 301	1 304	1 235
Profit for the period	284	233	884	788	826	730

SEK M	July - Sep		Jan - Sep		Oct 2004 -	Full year
	2005	2004	2005	2004	Sep 2005	2004
Restructuring costs/impairment losses						
Restructuring costs	-	-6	-	-78	-169	-247
Impairment losses	-	-	-	-	-313	-313
Total	-	-6	-	-78	-482	-560
<i>These costs and impairment losses are distributed among the relevant business areas as follows:</i>						
Trelleborg Automotive	-	-6	-	-78	-179	-257
Trelleborg Engineered Systems	-	-	-	-	-118	-118
Trelleborg Wheel Systems	-	-	-	-	-185	-185
Total before tax	-	-6	-	-78	-482	-560
Total after tax	-	-5	-	-50	-342	-392

SEK M	July - Sep		Jan - Sep		Oct 2004 -	Net sales
	2005	2004	2005	2004	Sep 2005	Full year
Trelleborg Automotive	2 295	2 122	7 070	6 995	9 257	9 182
Trelleborg Sealing Solutions	1 252	1 228	3 878	3 833	5 054	5 009
Trelleborg Engineered Systems	1 042	948	3 326	3 082	4 377	4 133
Trelleborg Wheel Systems	721	645	2 291	2 041	2 972	2 722
Trelleborg Building Systems	626	606	1 727	1 711	2 273	2 257
Eliminations	-90	-89	-304	-279	-416	-391
Total	5 846	5 460	17 988	17 383	23 517	22 912

SEK M	July - Sep		Jan - Sep		Oct 2004 -	Full year
	2005	2004	2005	2004	Sep 2005	2004
Operating profit before depreciations (EBITDA)						
<i>Continuing operations excluding restructuring costs</i>						
Trelleborg Automotive	198	182	681	716	926	961
Trelleborg Sealing Solutions	215	190	670	653	854	837
Trelleborg Engineered Systems	99	89	325	303	444	422
Trelleborg Wheel Systems	80	67	248	206	304	262
Trelleborg Building Systems	87	87	197	203	247	253
Other companies	-2	0	-8	-2	-8	-2
Group items	-35	-18	-116	-68	-144	-96
Total	642	597	1 997	2 011	2 623	2 637
<i>Continuing operations including restructuring costs</i>						
Trelleborg Automotive	198	176	681	638	884	841
Trelleborg Sealing Solutions	215	190	670	653	854	837
Trelleborg Engineered Systems	99	89	325	303	401	379
Trelleborg Wheel Systems	80	67	248	206	220	178
Trelleborg Building Systems	87	87	197	203	247	253
Other companies	-2	0	-8	-2	-8	-2
Group items	-35	-18	-116	-68	-144	-96
Total	642	591	1 997	1 933	2 454	2 390

SEK M	Operating profit					
	July - Sep		Jan - Sep		Oct 2004 -	Full year
	2005	2004	2005	2004	Sep 2005	2004
<i>Continuing operations excluding restructuring costs and impairment losses</i>						
Trelleborg Automotive	96	91	396	436	547	587
Trelleborg Sealing Solutions	170	150	543	533	686	676
Trelleborg Engineered Systems	70	58	235	208	320	293
Trelleborg Wheel Systems	55	39	176	124	209	157
Trelleborg Building Systems	73	71	153	156	187	190
Other companies	-4	-2	-14	-8	-16	-10
Group items	-35	-18	-119	-70	-147	-98
Total	425	389	1 370	1 379	1 786	1 795
<i>Continuing operations including restructuring costs and impairment losses</i>						
Trelleborg Automotive	96	85	396	358	368	330
Trelleborg Sealing Solutions	170	150	543	533	686	676
Trelleborg Engineered Systems	70	58	235	208	202	175
Trelleborg Wheel Systems	55	39	176	124	24	-28
Trelleborg Building Systems	73	71	153	156	187	190
Other companies	-4	-2	-14	-8	-16	-10
Group items	-35	-18	-119	-70	-147	-98
Total	425	383	1 370	1 301	1 304	1 235

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

1) Operating profit excluding participations in associated companies in relation to net sales, based on rolling 12-months values.

	Return on capital employed, (ROA) % ²⁾		
	Oct 2004 -	Oct 2003 -	Full year
	Sep 2005	Sep 2004	2004
<i>Continuing operations excluding restructuring costs and impairment losses</i>			
Trelleborg Automotive	10,2	12,6	11,1
Trelleborg Sealing Solutions	10,7	10,5	10,9
Trelleborg Engineered Systems	17,1	14,4	15,6
Trelleborg Wheel Systems	15,0	8,8	10,4
Trelleborg Building Systems	20,7	20,9	21,0
Total	11,1	11,3	11,2
<i>Continuing operations including restructuring costs and impairment losses</i>			
Trelleborg Automotive	6,9	11,2	6,2
Trelleborg Sealing Solutions	10,7	10,5	10,9
Trelleborg Engineered Systems	10,9	14,4	9,3
Trelleborg Wheel Systems	1,6	8,8	-1,8
Trelleborg Building Systems	20,7	20,9	21,0
Total	8,1	10,8	7,7

2) Operating profit in relation to average capital employed, based on rolling 12-months values.

SEK M	Capital employed ³⁾		
	Sep 30 2005	Sep 30 2004	Dec 31 2004
<i>Continuing operations</i>			
Trelleborg Automotive	5 592	5 272	5 132
Trelleborg Sealing Solutions	6 716	6 138	6 119
Trelleborg Engineered Systems	1 913	1 865	1 758
Trelleborg Wheel Systems	1 422	1 496	1 317
Trelleborg Building Systems	901	938	859
Other companies	112	146	144
Group items	5	55	-33
Provisions for restructuring measures	-109	-33	-184
Total	16 552	15 877	15 112

3) Total assets less interest-bearing investments and non-interest bearing operating liabilities (including pension liabilities), and excluding tax receivables and tax liabilities.

Jan - Sep SEK M	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	Oct 2004 - Sep 2005
Trelleborg Automotive	734	773	-375	-416	1	6	83	-30	443	333	450
Trelleborg Sealing Solutions	685	668	-100	-139	28	10	-202	-99	411	440	550
Trelleborg Engineered Systems	337	314	-57	-71	1	6	-10	-12	271	237	355
Trelleborg Wheel Systems	256	214	-48	-50	0	29	-11	-43	197	150	275
Trelleborg Building Systems	202	209	-36	-40	2	1	-33	-68	135	102	251
Other companies	-8	-2	0	0	14	0	-6	2	0	0	-3
Group items	-188	-137	-11	-9	19	0	-16	0	-196	-146	-250
Operating cash flow	2 018	2 039	-627	-725	65	52	-195	-250	1261	1116	1 628
Restructuring measures for which provisions were made in the acquisition balance sheet									-47	-180	-115
Other restructuring measures									-80	-26	-84
Dividend paid to minority									-1	-2	-1
Financial items									-161	-174	-275
Paid tax									-272	-279	-372
Free cash flow									700	455	781
Acquisitions									-127	-336	-137
Disposals									-	1 097	-
Dividend paid to shareholders									-452	-396	-452
Exercise of warrants and call options									78	168	78
Sum net cash flow									199	988	270

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

Effective January 1, 2005, the Trelleborg Group reports in accordance with European Commission approved International Financial Reporting Standards (IFRS). The transition is accounted for in accordance with IFRS 1 "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	Sep 30 2004	December 31 2004
Shareholders' equity, SEK M			
Shareholders' equity in accordance with Swedish accounting principles	7 452	8 449	8 118
Goodwill amortization		300	403
Restructuring costs attributable to acquisitions in 2004		-18	-24
Tax	-14	-10	-9
Minority interest	152	136	128
Translation differences		-3	-13
Shareholders' equity in accordance with IFRS	7 590	8 854	8 603
Adjustment of opening balance in accordance with IAS 39			14
Shareholders' equity January 1, 2005 in accordance with IFRS			8 617

	July - Sep 2004	Jan - Sep 2004	Full year 2004
Profit for the period, SEK M			
Profit for the period, continuing operations in accordance with previous accounting principles	137	489	332
Reversal of goodwill amortization	100	300	403
Restructuring costs affecting calculation of goodwill	-6	-18	-24
Tax	1	4	5
Profit for the period attributable to equity holders of the parent for continuing operations in accordance with IFRS	232	775	716
Profit for the period, discontinued operations in accordance with previous accounting principles	-	656	656
Profit for the period attributable to equity holders of the parent for discontinued operations in accordance with IFRS	-	656	656
Profit for the period attributable to equity holders of the parent in accordance with previous accounting principles	137	1 145	988
Total profit for the period attributable to equity holders of the parent in accordance with IFRS	232	1 431	1 372

IFRS 1 – First-time adoption of IFRS

The standard contains transitional rules for the introduction of IFRS. The guiding principle is that European Commission 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-loss testing is conducted on an annual basis, or more frequently if there is an indication of impairment. The Trelleborg Group conducted impairment-loss 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 300 M for

the period January - September 2004 and in an amount of SEK 403 M for the full year 2004. Impairment-loss testing will be conducted annually during the fourth quarter or whenever there is any indication of impairment.

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 18 M for the period January - September 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 secured to ensure 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 assess 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.