



## The first quarter 2010

### President and CEO Peter Nilsson

*“The first quarter of 2010 is showing that we are building a stronger Trelleborg and that we are constantly moving towards growing and profitable segments.*

*The implemented action programs continue to give positive effects and we are gradually growing in to a more efficient structure.*

*The increasing volumes during the quarter give a good leverage resulting in higher margins. The EBITDA margin improved and was 11.3 percent for the quarter, compared to 5.0 percent during the year-earlier period, or 10.4 percent in the fourth quarter of 2009.*

*The demand scenario remains uncertain. We now have greater flexibility to swiftly address market movements. Our priorities include continuing our efforts to improve the Group’s structure and geographic balance, increasing synergies and continue to develop the product portfolio.”*

- Net sales in the first quarter of 2010 increased to SEK 7,054 M (6,877).
- Operating profit rose to SEK 501 M (46).  
Items affecting comparability amounted to an expense of SEK 29 M (expense: 17).
- Earnings per share increased to SEK 1.05 (0.35).
- Operating cash flow was SEK 8 M (478).  
Free cash flow was negative SEK 401 M (26).

SEK M	Jan - Mar 2010	Jan - Mar 2009	Apr 2009 - Mar 2010	Full year 2009
Net sales	7,054	6,877	27,236	27,059
Operating profit	501	46	1,228	773
Profit for the period	292	65	646	419
Earnings per share, SEK <sup>1)</sup>	1.05	0.35	2.40	1.70
Operating profit, excl. items affecting comparability	530	63	1,630	1,163
Earnings per share, SEK, excl. items affecting comparability <sup>1)</sup>	1.15	0.40	3.65	2.90

*1) Share of net profit for the period attributable to equity holders of the Parent divided by the average number of shares. Following the rights issue, the average number of shares was adjusted according to guidelines in IAS 33. This calculation method has been applied throughout this report in all key figures that include the number of shares.*

### Market outlook for the second quarter of 2010

**Market outlook for the second quarter of 2010.** Overall, demand is expected to remain in line with or slightly better than the first quarter of 2010.

Key ratios SEK M	Jan - Mar 2010	Jan - Mar 2009	Apr 2009 - Mar 2010	Full year 2009
Net sales	7,054	6,877	27,236	27,059
Operating profit	501	46	1,228	773
Profit before tax	431	-93	893	369
Profit for the period	292	65	646	419
- attributable to equity holders of the parent	285	65	629	409
- attributable to minority interest	7	0	17	10
Earnings per share, SEK <sup>1)</sup>	1.05	0.35	2.40	1.70

Operating key ratios SEK M	Jan - Mar 2010	Jan - Mar 2009	Apr 2009 - Mar 2010	Full year 2009
<i>Excluding items affecting comparability</i>				
Operating profit	530	63	1,630	1,163
Earnings per share, SEK <sup>1)</sup>	1.15	0.40	3.65	2.90
EBITDA, %	11.3	5.0	10.0	8.4
Operating margin (ROS), %	7.6	0.9	6.0	4.3

1) Share of net profit for the period attributable to equity holders of the Parent divided by the average number of shares. Following the rights issue, the average number of shares was adjusted according to guidelines in IAS 33. This calculation method has been applied throughout this report in all key figures that include the number of shares.

## The Group's key figures

### January – March 2010

**Organic sales  
rose by 12  
percent**

**Net sales.** The Trelleborg Group's net sales for the first quarter of 2010 amounted to SEK 7,054 M (6,877), up 3 percent. Organic sales rose by 12 percent. Exchange-rate effects were negative 9 percent and effects from structural changes were 0 percent.

Trelleborg's sales of input goods to the industrial sector were higher than the corresponding period in 2009 and the fourth quarter of 2009. There was a significant increase in light vehicles sales compared with the year-earlier period and the fourth quarter of 2009. Within project-related segments – offshore oil/gas and infrastructure – and within the agriculture segment, sales were lower than the corresponding period in the preceding year and the fourth quarter of 2009.

The Group continued to improve its market positions and to establish a better geographic balance through further investments in markets outside North America and Western Europe, including India and Russia.

Change in net sales %	Jan - Mar 2010	Jan - Mar 2009
Organic sales	+12	-27
Structural changes	0	+2
Currency impact	-9	+10
Total	<b>+3</b>	<b>-15</b>

**Operating profit increased to SEK 501 M (46)**

**Earnings.** Operating profit for the quarter increased to SEK 501 M (46). Items affecting comparability were an expense of SEK 29 M (expense: 17), see page 4.

Compared with the year-earlier period and the fourth quarter of 2009, operating margins improved as a result of lower cost levels and increased volumes. The Group now has a more efficient structure, offering favorable leverage on increased volumes.

Cost increases for raw materials, which impact earnings with a certain delay, had a limited effect on earnings during the quarter. The prices of certain raw materials rose sharply during the period and looking ahead, a continued volatile upward price trend is expected.

Exchange-rate fluctuations arising in the translation of earnings of foreign Group companies had a negative impact on operating profit of about SEK 50 M compared with the corresponding period in 2009.

The Group posted a net financial expense of SEK 70 M (expense: 139), corresponding to an average interest rate of 3.3 percent (4.3).

Profit before tax amounted to SEK 431 M (loss: 93). Net profit totaled SEK 292 M (65). The tax rate was 32 percent. Earnings per share totaled SEK 1.05 (0.35).

**Return on shareholder's equity 5.2 percent (3.6)**

**Return.** Return on shareholders' equity for the most recent twelve-month period amounted to 5.2 percent (full-year 2009: 3.6), while the return on capital employed for the same period was 6.0 percent (full-year 2009: 3.6).

	Group		Excl. items affecting comparability	
	Apr 2009 - Mar 2010	Full year 2009	Apr 2009 - Mar 2010	Full year 2009
%				
Return on capital employed	6.0	3.6	7.7	5.3
Return on shareholders' equity	5.2	3.6	7.6	6.2

**Free cash flow was negative SEK 401 M (pos: 26)**

**Cash flow.** Operating cash flow for the period was SEK 8 M (478), impacted by an increase in working capital due to higher volume, which was balanced by improved generation of earnings and a continued low level of investment.

	Jan - Mar 2010	Jan - Mar 2009	Apr 2009 - Mar 2010	Full year 2009
<b>SEK M</b>				
<b>Operating cash flow</b>	<b>8</b>	<b>478</b>	<b>2,745</b>	<b>3,215</b>
Utilization of restructuring provisions	-112	-112	-680	-680
Dividend paid to minority	-	-	-2	-2
Financial items	-225	-332	-425	-532
Paid tax	-72	-8	-322	-258
<b>Free cash flow</b>	<b>-401</b>	<b>26</b>	<b>1,316</b>	<b>1,743</b>

**Debt/equity ratio was 69 percent**

**Net debt.** Net debt increased SEK 36 M compared with the preceding quarter and amounted to SEK 8,405 M as a result of a negative free cash flow, which was largely offset by the effects of a stronger Swedish krona.

The debt/equity ratio was 69 percent (122).

	Jan - Mar 2010	Jan - Mar 2009	Full year 2009
<b>Change in net debt</b>			
<b>SEK M</b>			
Net debt, opening balance	-8,369	-12,706	-12,706
Net cash flow for the period excl. rights issue	-402	5	1,680
Rights issue	-	-	2,070
Exchange rate differences	366	-273	587
Net debt, closing balance	-8,405	-12,974	-8,369
Debt/equity ratio, %	<b>69</b>	<b>122</b>	<b>68</b>

## Items affecting comparability

**Items affecting comparability during the quarter: Expense of SEK 29 M before tax and expense of SEK 22 M after tax**

### Items affecting comparability for the calculation of key figures.

During the first quarter of 2010, items affecting comparability totaling an expense of SEK 29 M (expense: 17) before tax were excluded from the calculation of the Group's operating key figures. Items affecting comparability comprise restructuring costs for previously announced and ongoing programs in all four of the Group's business areas. Remaining costs totaling about SEK 150 M for programs announced up until the first quarter of 2010 mainly pertain to Trelleborg Engineered Systems and will primarily be charged against the remaining period of 2010. The Group continuously reviews opportunities to further improve the production structure.

<b>Items affecting comparability of operating profit <sup>1)</sup></b>	<b>Jan - Mar 2010</b>	<b>Jan - Mar 2009</b>	<b>Apr 2009 - Mar 2010</b>	<b>Full year 2009</b>
<b>SEK M</b>				
Trelleborg Engineered Systems	-14	-5	-172	-163
Trelleborg Automotive	-3	-8	-54	-59
Trelleborg Sealing Solutions	-5	-2	-155	-152
Trelleborg Wheel Systems	-4	-2	-18	-16
Other	-3	-	-3	-
<b>Total items affecting comparability</b>	<b>-29</b>	<b>-17</b>	<b>-402</b>	<b>-390</b>

*1) Main part reported as other operating expenses*

The carrying amount of the provisions recognized for restructuring costs and legal costs that are related to competition investigations communicated earlier amounted to SEK 424 M at the end of the first quarter. These provisions are expected to affect cash flow primarily in 2010.

## The Group's operating key figures

### January – March 2010

**Operating profit was SEK 530 M (63)**

**EBITDA margin increased to 11.3 percent (5.0)**

**Earnings.** Operating profit, excluding items affecting comparability, increased to SEK 530 M (63). The operating margin was 7.6 percent (0.9).

Operating profit before depreciation (EBITDA) rose to SEK 796 M (349). The EBITDA margin amounted to 11.3 percent (5.0).

Consolidated profit before tax amounted to SEK 460 M (loss: 76) and net profit to SEK 314 M (78). Earnings per share totaled SEK 1.15 (0.40).

## Risk management

**Risks/risk management at Trelleborg.** Trelleborg focuses continuously on identifying, evaluating and managing risks arising in various systems and processes. Trelleborg has since 2008 an Enterprise Risk Management process (ERM) with the overall objective of ensuring that risks are managed systematically, that the right priorities are made and that risks are managed as efficiently as possible.

The principal risks and uncertainties currently faced by the Group relate to the economy's effect on demand, supply and price variations of raw material and components, structural measures, financial business environment risks and changes in value of fixed assets.

For further information regarding the Group's risks, risk exposure and risk management, refer to the Trelleborg Annual Report and [www.trelleborg.com](http://www.trelleborg.com)

## The Group's market outlook

**Market outlook for the second quarter of 2010.** Overall, demand is expected to remain in line with or slightly better than the first quarter of 2010.

**Outlook from the interim report published on February 16, 2010:**

**Market outlook for the first quarter of 2010.** Overall, demand is expected to remain in line with the fourth quarter of 2009.

*Trelleborg, April 20, 2010*

*Board of Directors of Trelleborg AB (publ)*

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*This report was prepared in accordance with IAS 34 Interim Financial Reporting and applicable rules in the Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with chapter 9 of the Annual Accounts Act, Interim report. Unless otherwise stated, 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.*

*The new and revised accounting policy for 2010 that may be expected to have a material impact on the consolidated financial statements is IFRS 3 Business Combinations. The revised standard continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments for purchases of a business are recognized at fair value on the date of acquisition, with subsequent contingent payments classified as debt later r emeasured in profit and loss. All acquisition-related costs should be expensed. From January 1, 2010 the Group will apply IFRS 3 (Revised) prospectively to all business combinations.*

*This report has not been subject to special examination by Trelleborg AB's auditors.*

## Trelleborg Engineered Systems

SEK M	Jan - Mar 2010	Jan - Mar 2009	Apr 2009 - Mar 2010	Full year 2009
<i>Excluding items affecting comparability</i>				
Net sales	2,548	2,862	10,855	11,169
Operating profit	148	117	775	744
EBITDA margin, %	9.6	7.2	10.5	9.9
Operating margin (ROS), %	6.1	4.0	7.2	6.6
Operating cash flow	-135	285	1,278	1,698
Operating cash flow/operating profit, %	neg	244	165	228
<i>Including items affecting comparability</i>				
Operating profit	134	112	603	581
ROS, %	5.5	3.8	5.6	5.2

*Additional key ratios on pages 13 - 15*

**Market trend.** Demand for input goods for the industrial sector generally improved compared with the year-earlier period, however the long winter resulted in lower demand from the construction industry in Scandinavia. Demand within offshore oil/gas gradually improved within certain sub segments during the period while demand within infrastructure was below the level recorded in the corresponding period in 2009.

**Net sales.** Net sales during the quarter declined 11 percent compared with the corresponding period in 2009. Organic sales were -3 percent, exchange-rate effects were negative at 8 percent and effects of structural changes were 0 percent.

**Operating profit and cash flow.** Operating profit and operating margin for the quarter improved compared with the preceding year due primarily to a more cost-efficient structure. The decline in sales for project-related operations caused a slight negative impact on the product mix.

To enhance competitiveness and the production structure, a concentration of the number of production units in some countries in Europe is in progress. The business area continuously reviews opportunities to make further improvements to the production structure.

Cash flow was weaker during the quarter compared with the year-earlier period, mainly as a result of increase in tied up working capital driven by volume increases at the end of the period in both sales and production.

## Trelleborg Automotive

SEK M	Jan - Mar 2010	Jan - Mar 2009	Apr 2009 - Mar 2010	Full year 2009
<i>Excluding items affecting comparability</i>				
Net sales	2,500	1,826	9,076	8,402
Operating profit	162	-175	338	1
EBITDA margin, %	10.4	neg	8.3	5.1
Operating margin (ROS), %	6.4	neg	3.6	neg
Operating cash flow	98	-17	560	445
Operating cash flow/operating profit, %	60	neg	166	44,500
<i>Including items affecting comparability</i>				
Operating profit	159	-183	284	-58
ROS, %	6.3	neg	3.0	neg

*Additional key ratios on pages 13 - 15*

**Market trend.** During the quarter, global light vehicle production increased sharply compared with the corresponding period in 2009. Production in all geographic regions was higher than in the first quarter of 2009, with the largest increase in percentage terms recorded in North America and Asia.

**Net sales.** Net sales during the quarter increased 37 percent compared with the corresponding period in the preceding year. Organic sales increased 48 percent, exchange-rate effects were negative at 11 percent and effects of structural changes were 0 percent.

**Operating profit and cash flow.** There was a marked improvement in operating profit compared with the year-earlier period. The earnings were primarily improved by higher volumes and improved cost coverage resulting from implemented structural programs and other capacity and cost adaptations.

The relocation of production at the Fluid Solutions business unit from France to Turkey has now been completed and is generating a favorable contribution to earnings.

The business area is now continuing to aggressively strengthen its position as the largest supplier in global terms of antivibration products to the light vehicles industry by establishing proprietary production in Nizhny Novgorod in Russia. The first deliveries are scheduled to take place around mid-2010 (see separate press release dated April 20, 2010).

Operating cash flow remained strong in relation to increasing sales, primarily as a result of an improvement in the generation of earnings and continued efficient management of working capital.

## Trelleborg Sealing Solutions

SEK M	Jan - Mar 2010	Jan - Mar 2009	Apr 2009 - Mar 2010	Full year 2009
<i>Excluding items affecting comparability</i>				
Net sales	1,350	1,276	4,747	4,673
Operating profit	171	41	410	280
EBITDA margin, %	16.3	7.7	13.0	10.6
Operating margin (ROS), %	12.7	3.2	8.7	6.0
Operating cash flow	132	122	793	783
Operating cash flow/operating profit, %	77	298	193	280
<i>Including items affecting comparability</i>				
Operating profit	166	39	255	128
ROS, %	12.3	3.1	5.4	2.8

*Additional key ratios on pages 13 - 15*

**Market trend.** Demand in the industrial sector rose compared with the first quarter of 2009, partly caused by inventory changes. For light vehicles, demand improved distinctly compared with the corresponding period in 2009. Within aerospace, demand declined compared with the year-earlier period.

**Net sales.** Net sales during the quarter increased 6 percent compared with the corresponding period in 2009. Organic sales increased 18 percent, exchange-rate effects were negative 11 percent and structural changes negative 1 percent.

**Operating profit and cash flow.** Operating profit improved compared with the corresponding period in the preceding year as a result of a significant reduction in costs and volume growth.

The consolidation of units in Italy and the US continues. The business area continuously reviews opportunities to make further improvements to the production structure.

The business area is making a strategic investment to establish a center of excellence for certain production processes and industrial niche segments in Bangalore, India. The total investment is valued at slightly below SEK 100 M (see separate press release dated April 20, 2010).

Operating cash flow remained strong in relation to increasing sales, primarily as a result of an improvement in the generation of earnings and continued efficient management of working capital.



## Trelleborg Wheel Systems

SEK M	Jan - Mar 2010	Jan - Mar 2009	Apr 2009 - Mar 2010	Full year 2009
<i>Excluding items affecting comparability</i>				
Net sales	725	950	2,766	2,991
Operating profit	76	102	257	283
EBITDA margin, %	13.8	13.5	12.8	12.8
Operating margin (ROS), %	10.5	10.8	9.3	9.5
Operating cash flow	-39	122	359	520
Operating cash flow/operating profit, %	neg	120	140	184
<i>Including items affecting comparability</i>				
Operating profit	72	100	239	267
ROS, %	9.9	10.6	8.6	8.9

*Additional key ratios on pages 13 - 15*

**Market trend.** In the agricultural sector, there was a marked decline compared with first quarter in 2009 due to a sharp downturn in the production of new agricultural equipment. Global demand for industrial tires from manufacturers of material-handling equipment improved somewhat compared with the corresponding period in 2009.

**Net sales.** Net sales during the quarter declined 24 percent compared with the preceding year. Organic sales were -18 percent, exchange-rate effects were negative 6 percent and structural changes were 0 percent.

**Operating profit and cash flow.** Despite a sharp drop in volumes, the business area maintained its operating margin for the quarter at the same level as in the preceding year. Contributing factors included a positive product and channel mix, a clear focus on core customers and a flexible cost structure, where recently implemented focusing of production of industrial tires to Sri Lanka has started to yield results.

To strengthen its position in high-performance agricultural tires, further investments were initiated in a new, innovative production process at the production unit in Tivoli, Italy, that will generate improved performance, efficiency and quality.

The business area continues to expand its product-range to further strengthen the position as a supplier of complete solutions.

Cash flow was weaker during the quarter compared with the corresponding period in 2009, primarily due to a rise in tied-up capital resulting from increased sales volumes towards the end of the quarter and inventory levels that not yet have been adjusted to existing volumes.

## Financial statements

### Income Statements

Group	Jan - Mar	Jan - Mar	Apr 2009 -	Full year
SEK M	2010	2009	Mar 2010	2009
Net sales	7,054	6,877	27,236	27,059
Cost of goods sold	-5,239	-5,375	-20,541	-20,677
<b>Gross profit</b>	<b>1,815</b>	<b>1,502</b>	<b>6,695</b>	<b>6,382</b>
Selling expenses	-549	-632	-2,266	-2,349
Administrative expenses	-606	-675	-2,434	-2,503
Research and development costs	-159	-167	-611	-619
Other operating income/expense	3	15	-161	-149
Profit from part. in assoc. companies	-3	3	5	11
<b>Operating profit</b>	<b>501</b>	<b>46</b>	<b>1,228</b>	<b>773</b>
Financial income and expenses	-70	-139	-335	-404
<b>Profit before tax</b>	<b>431</b>	<b>-93</b>	<b>893</b>	<b>369</b>
Tax	-139	158	-247	50
<b>Profit for the period</b>	<b>292</b>	<b>65</b>	<b>646</b>	<b>419</b>
<b>Profit attributable to:</b>				
Equity holders of the parent	285	65	629	409
Minority interest	7	0	17	10

Earnings per share	Jan - Mar	Jan - Mar	Apr 2009 -	Full year
SEK	2010	2009	Mar 2010	2009
Earnings per share	1.05	0.35	2.40	1.70

### Number of shares

End of period	271,071,783	90,357,261	271,071,783	271,071,783
Average number <sup>1)</sup>	271,071,783	198,178,530	258,922,908	240,699,594

*1) Following the rights issue, the average number of shares was adjusted according to guidelines in IAS 33. This calculation method has been applied throughout this report in all key figures that include the number of shares.*

### Statements of comprehensive income

SEK M	Jan - Mar	Jan - Mar	Apr 2009 -	Full year
	2010	2009	Mar 2010	2009
<b>Profit for the period</b>	<b>292</b>	<b>65</b>	<b>646</b>	<b>419</b>
<b>Other comprehensive income</b>				
Cash flow hedges	1	-1	88	86
Hedging of net investment	386	-140	972	446
Translation difference	-714	410	-1,886	-762
Income tax relating to components of other comprehensive income	-102	38	-300	-160
<b>Other comprehensive income, net of tax</b>	<b>-429</b>	<b>307</b>	<b>-1,126</b>	<b>-390</b>
<b>Total comprehensive income</b>	<b>-137</b>	<b>372</b>	<b>-480</b>	<b>29</b>
<b>Profit attributable to:</b>				
Equity holders of the parent	-147	374	-503	18
Minority interest	10	-2	23	11

**Balance Sheets**

<b>Group</b>	<b>Mar 31</b>	<b>Mar 31</b>	<b>Dec 31</b>
<b>SEK M</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
Property, plant and equipment	6,284	7,246	6,603
Intangible assets	10,812	12,102	11,282
Financial assets	1,438	1,798	1,620
<b>Total non-current assets</b>	<b>18,534</b>	<b>21,146</b>	<b>19,505</b>
Inventories	3,533	4,598	3,425
Current operating receivables	6,396	6,987	5,940
Current interest-bearing receivables	110	152	78
Cash and cash equivalents	558	501	591
<b>Total current assets</b>	<b>10,597</b>	<b>12,238</b>	<b>10,034</b>
<b>Total assets</b>	<b>29,131</b>	<b>33,384</b>	<b>29,539</b>
Shareholders' equity, excluding minority share	12,111	10,527	12,267
Minority share	113	83	94
<b>Total equity</b>	<b>12,224</b>	<b>10,610</b>	<b>12,361</b>
Non-current interest-bearing liabilities	5,754	10,897	6,516
Other non-current liabilities	1,380	1,859	1,559
<b>Total non-current liabilities</b>	<b>7,134</b>	<b>12,756</b>	<b>8,075</b>
Interest-bearing current liabilities	3,326	2,738	2,529
Other current liabilities	6,447	7,280	6,574
<b>Total current liabilities</b>	<b>9,773</b>	<b>10,018</b>	<b>9,103</b>
<b>Total equity and liabilities</b>	<b>29,131</b>	<b>33,384</b>	<b>29,539</b>

<b>Specification of changes in equity</b>	<b>Mar 31</b>	<b>Mar 31</b>	<b>Dec 31</b>
<b>SEK M</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
<i>Attributable to equity holders of the parent</i>			
Opening balance, January 1	12,267	10,153	10,153
Adjustment opening balance	-9	-	-
Total comprehensive income	-147	374	18
Reduction of share capital <sup>1)</sup>	-	-	-2,078
Bonus issue <sup>1)</sup>	-	-	2,078
Rights issue	-	-	2,169
Transaction costs <sup>2)</sup>	-	-	-73
<b>Closing balance</b>	<b>12,111</b>	<b>10,527</b>	<b>12,267</b>
<i>Attributable to minority interest</i>			
Opening balance, January 1	94	85	85
Adjustment opening balance	9	-	-
Total comprehensive income	10	-2	11
Dividend	-	0	-2
<b>Closing balance</b>	<b>113</b>	<b>83</b>	<b>94</b>
<b>Sum total equity, closing balance</b>	<b>12,224</b>	<b>10,610</b>	<b>12,361</b>

<sup>1)</sup> In accordance with the proposal by the Board of Directors, with the purpose to render possible and facilitate the rights issue, the Annual General Meeting on April 23, 2009 resolved to reduce the share capital by SEK 2,078,217,003, without redemption of shares, changing the shares' quota value from SEK 25 to SEK 2. The Annual General Meeting also resolved on a bonus issue of SEK 2,078,217,003, as a measure to ensure that neither the restricted equity, nor the share capital, will be reduced.

<sup>2)</sup> Includes tax effect of 25,8 SEK M (26,3%), which is not affecting cash flow during this period.

**Cash flow statements**

<b>Group</b>	<b>Jan - Mar</b>	<b>Jan - Mar</b>	<b>Apr 2009 -</b>	<b>Full year</b>
<b>SEK M</b>	<b>2010</b>	<b>2009</b>	<b>Mar 2010</b>	<b>2009</b>
<i>Operating activities</i>				
Operating profit	501	46	1,228	773
Adjustments for items not included in cash flow:				
Depreciation, property, plant and equipment	227	245	939	957
Depreciation, intangible assets	37	42	162	167
Impairment losses, property, plant and equipment	0	5	36	41
Impairment losses, intangible assets	2	0	7	5
Provision for restructuring costs	29	11	362	344
Undistributed result from part. in assoc. companies	6	7	12	13
	<b>802</b>	<b>356</b>	<b>2,746</b>	<b>2,300</b>
Interest received and other financial items	2	12	5	15
Interest paid and other financial items	-227	-344	-430	-547
Taxes paid	-72	-8	-322	-258
<b>Cash flow from operating activities before changes in working capital</b>	<b>505</b>	<b>16</b>	<b>1,999</b>	<b>1,510</b>
Cash flow from changes in working capital:				
Change in inventories	-203	289	733	1,225
Change in operating receivables	-661	598	-20	1,239
Change in operating liabilities	175	-531	-53	-759
Utilization of restructuring provisions	-112	-112	-680	-680
<b>Cash flow from operating activities</b>	<b>-296</b>	<b>260</b>	<b>1,979</b>	<b>2,535</b>
<i>Investing activities</i>				
Acquisitions	-1	-21	-43	-63
Capital expenditure, property, plant and equipment	-106	-219	-641	-754
Capital expenditure in intangible assets	-7	-20	-59	-72
Sale of non-current assets	8	5	39	36
<b>Cash flow from investing activities</b>	<b>-106</b>	<b>-255</b>	<b>-704</b>	<b>-853</b>
<i>Financing activities</i>				
Rights issue	-	-	2,070	2,070
Change in interest-bearing investments	319	544	460	685
Change in interest-bearing liabilities	46	-814	-3,731	-4,591
Dividend paid to minority	-	0	-2	-2
<b>Cash flow from financing activities</b>	<b>365</b>	<b>-270</b>	<b>-1,203</b>	<b>-1,838</b>
<b>Cash flow for the period</b>	<b>-37</b>	<b>-265</b>	<b>72</b>	<b>-156</b>
Cash and cash equivalents:				
At beginning of the period	591	749	501	749
Exchange rate differences	4	17	-15	-2
<b>Cash and cash equivalents at end of period</b>	<b>558</b>	<b>501</b>	<b>558</b>	<b>591</b>

**Group review**

	Jan - Mar	Jan - Mar	Apr 2009 -	Full year
SEK M	2010	2009	Mar 2010	2009
<i>Excluding items affecting comparability</i>				
Net sales	7,054	6,877	27,236	27,059
EBITDA	796	349	2,734	2,287
Operating profit	530	63	1,630	1,163
Profit for the period	314	78	939	703

Net sales	Jan - Mar	Jan - Mar	Apr 2009 -	Full year
SEK M	2010	2009	Mar 2010	2009
Trelleborg Engineered Systems	2,548	2,862	10,855	11,169
Trelleborg Automotive	2,500	1,826	9,076	8,402
Trelleborg Sealing Solutions	1,350	1,276	4,747	4,673
Trelleborg Wheel Systems	725	950	2,766	2,991
Eliminations	-69	-37	-208	-176
<b>Total</b>	<b>7,054</b>	<b>6,877</b>	<b>27,236</b>	<b>27,059</b>

EBITDA <sup>1)</sup>	Jan - Mar	Jan - Mar	Apr 2009 -	Full year
SEK M	2010	2009	Mar 2010	2009
<i>Excluding items affecting comparability</i>				
Trelleborg Engineered Systems	238	210	1,137	1,109
Trelleborg Automotive	264	-67	764	433
Trelleborg Sealing Solutions	220	98	619	497
Trelleborg Wheel Systems	100	128	355	383
Other companies	-3	-3	-6	-6
Group items	-23	-17	-135	-129
<b>Total excluding items affecting comparability</b>	<b>796</b>	<b>349</b>	<b>2,734</b>	<b>2,287</b>
<i>Items affecting comparability</i>				
Trelleborg Engineered Systems	-14	0	-155	-141
Trelleborg Automotive	-3	-8	-49	-54
Trelleborg Sealing Solutions	-5	-1	-137	-133
Trelleborg Wheel Systems	-4	-2	-18	-16
Other	-3	-	-3	-
Total items affecting comparability	<b>-29</b>	<b>-11</b>	<b>-362</b>	<b>-344</b>
<b>Total including items affecting comparability</b>	<b>767</b>	<b>338</b>	<b>2,372</b>	<b>1,943</b>

1) Operating profit before depreciations, amortizations and impairment losses.

EBITDA <sup>1)</sup>	Jan - Mar	Jan - Mar	Apr 2009 -	Full year
%	2010	2009	Mar 2010	2009
<i>Excluding items affecting comparability</i>				
Trelleborg Engineered Systems	9.6	7.2	10.5	9.9
Trelleborg Automotive	10.4	neg	8.3	5.1
Trelleborg Sealing Solutions	16.3	7.7	13.0	10.6
Trelleborg Wheel Systems	13.8	13.5	12.8	12.8
<b>Total excluding items affecting comparability</b>	<b>11.3</b>	<b>5.0</b>	<b>10.0</b>	<b>8.4</b>
<i>Including items affecting comparability</i>				
Trelleborg Engineered Systems	9.0	7.2	9.1	8.6
Trelleborg Automotive	10.3	neg	7.8	4.4
Trelleborg Sealing Solutions	15.9	7.5	10.2	7.8
Trelleborg Wheel Systems	13.1	13.3	12.1	12.3
<b>Total including items affecting comparability</b>	<b>10.9</b>	<b>4.9</b>	<b>8.7</b>	<b>7.1</b>

1) Operating profit before depreciations, amortizations and impairment losses excluding participations in associated companies in relation to net sales.

TRELLEBORG AB INTERIM REPORT JANUARY – MARCH 2010

<b>Operating profit</b> <b>SEK M</b>	<b>Jan - Mar</b> <b>2010</b>	<b>Jan - Mar</b> <b>2009</b>	<b>Apr 2009 -</b> <b>Mar 2010</b>	<b>Full year</b> <b>2009</b>
<i>Excluding items affecting comparability</i>				
Trelleborg Engineered Systems	148	117	775	744
Trelleborg Automotive	162	-175	338	1
Trelleborg Sealing Solutions	171	41	410	280
Trelleborg Wheel Systems	76	102	257	283
Other companies	-3	-3	-8	-8
Group items	-24	-19	-142	-137
<b>Total excluding items affecting comparability</b>	<b>530</b>	<b>63</b>	<b>1,630</b>	<b>1,163</b>
<i>Items affecting comparability</i>				
Trelleborg Engineered Systems	-14	-5	-172	-163
Trelleborg Automotive	-3	-8	-54	-59
Trelleborg Sealing Solutions	-5	-2	-155	-152
Trelleborg Wheel Systems	-4	-2	-18	-16
Other	-3	-	-3	-
Total items affecting comparability	<b>-29</b>	<b>-17</b>	<b>-402</b>	<b>-390</b>
<b>Total including items affecting comparability</b>	<b>501</b>	<b>46</b>	<b>1,228</b>	<b>773</b>

<b>Operating margin, (ROS) <sup>1)</sup></b> <b>%</b>	<b>Jan - Mar</b> <b>2010</b>	<b>Jan - Mar</b> <b>2009</b>	<b>Apr 2009 -</b> <b>Mar 2010</b>	<b>Full year</b> <b>2009</b>
<i>Excluding items affecting comparability</i>				
Trelleborg Engineered Systems	6.1	4.0	7.2	6.6
Trelleborg Automotive	6.4	neg	3.6	neg
Trelleborg Sealing Solutions	12.7	3.2	8.7	6.0
Trelleborg Wheel Systems	10.5	10.8	9.3	9.5
<b>Total excluding items affecting comparability</b>	<b>7.6</b>	<b>0.9</b>	<b>6.0</b>	<b>4.3</b>
<i>Including items affecting comparability</i>				
Trelleborg Engineered Systems	5.5	3.8	5.6	5.2
Trelleborg Automotive	6.3	neg	3.0	neg
Trelleborg Sealing Solutions	12.3	3.1	5.4	2.8
Trelleborg Wheel Systems	9.9	10.6	8.6	8.9
<b>Total including items affecting comparability</b>	<b>7.1</b>	<b>0.6</b>	<b>4.5</b>	<b>2.8</b>

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

<b>Capital employed <sup>1)</sup></b> <b>SEK M</b>	<b>Mar 31</b> <b>2010</b>	<b>Mar 31</b> <b>2009</b>	<b>Dec 31</b> <b>2009</b>
Trelleborg Engineered Systems	6,797	7,866	6,711
Trelleborg Automotive	4,490	5,079	4,528
Trelleborg Sealing Solutions	6,894	8,118	7,156
Trelleborg Wheel Systems	1,897	2,182	1,835
Other companies	42	21	48
Group items	11	4	3
Provision for restructuring costs and legal costs	-424	-790	-526
<b>Total</b>	<b>19,707</b>	<b>22,480</b>	<b>19,755</b>

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

TRELLEBORG AB INTERIM REPORT JANUARY – MARCH 2010

<b>Return on capital employed, (ROCE) <sup>1)</sup></b>	<b>Apr 2009 -</b>	<b>Apr 2008 -</b>	<b>Full year</b>
<b>%</b>	<b>Mar 2010</b>	<b>Mar 2009</b>	<b>2009</b>
<i>Excluding items affecting comparability</i>			
Trelleborg Engineered Systems	10.9	12.6	10.0
Trelleborg Automotive	7.2	neg	0.0
Trelleborg Sealing Solutions	5.6	9.0	3.7
Trelleborg Wheel Systems	13.2	18.0	13.9
<b>Total excluding items affecting comparability</b>	<b>7.7</b>	<b>5.6</b>	<b>5.3</b>
<i>Including items affecting comparability</i>			
Trelleborg Engineered Systems	8.6	11.8	7.9
Trelleborg Automotive	6.4	neg	neg
Trelleborg Sealing Solutions	3.5	8.6	1.7
Trelleborg Wheel Systems	12.3	17.4	13.3
<b>Total including items affecting comparability</b>	<b>6.0</b>	<b>neg</b>	<b>3.6</b>

1) Operating profit in relation to average capital employed.

<b>Cash flow report</b>	<b>EBITDA <sup>1)</sup></b>		<b>Capital expenditure</b>		<b>Sold non current assets</b>		<b>Change in working capital</b>		<b>Total cash flow</b>		
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>Jan - Mar 2010</b>	<b>Jan - Mar 2009</b>	<b>Apr 2009 - Mar 2010</b>
<b>SEK M</b>											
Trelleborg Engineered Systems	256	231	-47	-80	1	1	-345	133	-135	285	1,278
Trelleborg Automotive	269	-58	-34	-101	0	2	-137	140	98	-17	560
Trelleborg Sealing Solutions	224	104	-12	-22	0	2	-80	38	132	122	793
Trelleborg Wheel Systems	103	133	-19	-36	1	0	-124	25	-39	122	359
Other companies	-3	-3	-	0	6	-	-2	-1	1	-4	-3
Group items	-47	-51	-1	0	-	-	-1	21	-49	-30	-242
<b>Operating cash flow</b>	<b>802</b>	<b>356</b>	<b>-113</b>	<b>-239</b>	<b>8</b>	<b>5</b>	<b>-689</b>	<b>356</b>	<b>8</b>	<b>478</b>	<b>2,745</b>
Utilization of restructuring provisions									-112	-112	-680
Dividend paid to minority									-	-	-2
Financial items									-225	-332	-425
Paid tax									-72	-8	-322
<b>Free cash flow</b>									<b>-401</b>	<b>26</b>	<b>1,316</b>
Acquisitions									-1	-21	-43
Rights issue									-	-	2,070
<b>Sum net cash flow</b>									<b>-402</b>	<b>5</b>	<b>3,343</b>

1) Excluding undistributed result from associated companies and all ocated group expenses

<b>Acquisitions</b>	<b>Jan - Mar 2010</b>	<b>Jan - Mar 2009</b>
<b>SEK M</b>		
Purchase price	1	-
Acquisition expenses <sup>1)</sup>	-	21
<b>Goodwill</b>	<b>1</b>	<b>21</b>

<sup>1)</sup> Acquisitions costs relating to previous years acquisitions.

## Parent Company

### Income Statements

Parent company SEK M	Jan - Mar 2010	Jan - Mar 2009	Apr 2009 - Mar 2010	Full year 2009
Administrative expenses	-71	-69	-391	-389
Other operating income	17	17	289	289
<b>Operating profit</b>	<b>-54</b>	<b>-52</b>	<b>-102</b>	<b>-100</b>
Financial income and expenses	-97	-160	-453	-516
<b>Profit before tax</b>	<b>-151</b>	<b>-212</b>	<b>-555</b>	<b>-616</b>
Tax	38	55	127	144
<b>Profit for the period</b>	<b>-113</b>	<b>-157</b>	<b>-428</b>	<b>-472</b>

### Balance Sheets

Parent company SEK M	Mar 31 2010	Mar 31 2009	Dec 31 2009
Property, plant and equipment	28	30	29
Intangible assets	9	11	9
Financial assets	34,289	33,146	34,244
<b>Total non-current assets</b>	<b>34,326</b>	<b>33,187</b>	<b>34,282</b>
Current operating receivables	32	91	52
Current interest-bearing receivables	1,534	1,648	1,665
Cash and cash equivalents	2	0	-
<b>Total current assets</b>	<b>1,568</b>	<b>1,739</b>	<b>1,717</b>
<b>Total assets</b>	<b>35,894</b>	<b>34,926</b>	<b>35,999</b>
Shareholders' equity	10,889	8,498	11,005
<b>Total equity</b>	<b>10,889</b>	<b>8,498</b>	<b>11,005</b>
Non-current interest-bearing liabilities	51	52	51
Other non-current liabilities	3	6	6
<b>Total non-current liabilities</b>	<b>54</b>	<b>58</b>	<b>57</b>
Interest-bearing current liabilities	24,860	26,309	24,845
Other current liabilities	91	61	92
<b>Total current liabilities</b>	<b>24,951</b>	<b>26,370</b>	<b>24,937</b>
<b>Total equity and liabilities</b>	<b>35,894</b>	<b>34,926</b>	<b>35,999</b>



### **Invitation to telephone conference on April 20 at 3:00 p.m.**

A telephone conference will be held on April 20 at 3:00 p.m. To participate in the telephone conference, call +46 (0)8-5051 3785 or +44 20 7138 0824 and state the code 3419154 or the password "Trelleborg". The conference will also be broadcast in real time on the Internet.

Visit our website at [www.trelleborg.com/en/Investors/Presentations](http://www.trelleborg.com/en/Investors/Presentations) for Internet link and presentation materials.

#### **Calendar**

Annual General Meeting in Trelleborg	April 20, 5:00 p.m.
Interim report April-June	July 21
Interim Report July-September	October 28

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Trelleborg AB, Corporate Communications, by telephone on +46 (0)410-670 09, by e-mail at [info@trelleborg.com](mailto:info@trelleborg.com) or can be downloaded from the Group's website: [www.trelleborg.com](http://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.*

**This is information of the type that Trelleborg AB (publ) is obligated to disclose in accordance with the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was issued for publication on Tuesday, April 20, 2010 at 2:00 p.m.**