

# Continuing stable performance

## Continuing operations

- Net sales for the third quarter of 2013 totaled SEK 5,306 M (4,961). Organic sales increased by 5 percent (decrease: 2). Effects of structural changes represented a positive 4 percent growth (0) and exchange-rate effects had a negative 2 percent impact (negative: 2).
- Operating profit, excluding items affecting comparability and the participation in TrelleborgVibracoustic, rose by 30 percent to SEK 688 M (528), equivalent to an operating margin of 13.0 percent (10.6), the Group's highest to date for a single quarter.
- Items affecting comparability amounted to an expense of SEK 101 M (expense: 12), which comprised restructuring costs, and is in line with the information previously communicated.
- Operating cash flow amounted to SEK 763 M (625).
- Operating profit for the associated company TrelleborgVibracoustic, excluding items affecting comparability, amounted to EUR 31 M (20), corresponding to an operating margin of 7.4 percent (5.1).
- Trelleborg's participation in TrelleborgVibracoustic, excluding items affecting comparability, amounted to SEK 133 M before tax (78). Including items affecting comparability of 108 MSEK, the participation was SEK 25 M before tax (72).

<b>Continuing operations excl items affecting comparability, SEK M</b>	<b>Q3 2013</b>	<b>Q3 2012</b>	<b>Change, %</b>	<b>9M 2013</b>	<b>9M 2012</b>	<b>Change, %</b>
Net sales	5,306	4,961	7	16,328	16,296	0
Operating profit excl participation in TrelleborgVibracoustic	688	528	30	2,050	1,896	8
Operating margin, %	13.0	10.6		12.5	11.6	
Operating profit incl participation in TrelleborgVibracoustic	713	600	19	2,282	1,968	16
Operating margin, %	13.4	12.1		14.0	12.1	
Operating cash flow	763	625	22	1,295	1,147	13
Earnings per share, SEK <sup>1)</sup>	1.70	1.50		5.70	5.10	

<sup>1)</sup> Earnings per share in Q3 2013 amounted to 1,80 SEK, excluding interest expenses totaling SEK 36 M related to the European Commission's judgment concerning the Group's participation in a marine hose cartel.

## Group in total

- Consolidated net sales amounted to SEK 5,306 M (4,965).
- Operating profit for the quarter increased to SEK 612 M (591).
- Earnings per share for the quarter were SEK 1.40 (1.45).

<b>Key ratios Group, SEK M</b>	<b>Q3 2013</b>	<b>Q3 2012</b>	<b>Change, %</b>	<b>9M 2013</b>	<b>9M 2012</b>	<b>Change, %</b>
Net sales	5,306	4,965	7	16,328	20,271	-19
Operating profit	612	591	4	1,940	2,450	-21
Profit before tax	531	552	-4	1,785	2,297	-22
Net profit	382	398	-4	1,258	1,800	-30
Earnings per share, SEK	1.40	1.45		4.60	6.60	

# “Continuing stable performance”

*“Trelleborg has once again reported a favorable quarter. The underlying operating profit grew strongly and the corresponding margin was the highest to date for a single quarter. Organic sales rose 5 percent year-on-year. The majority of geographic markets displayed positive organic growth and most of Trelleborg’s market segments performed favorably.*

*“Our continuous improvement efforts, combined with the strong market positions we command, have created a strong and stable base upon which we can generate value. The increased sales volumes in the quarter yielded high margins, from both an historical and seasonal perspective. During the quarter, we completed a technology acquisition that strengthens our offering in the growing offshore natural gas market. The pace of innovation remains high in the Group.*

*“Trelleborg recorded an unusually positive third quarter, which deviated to a certain extent from the seasonal variations normally experienced. This was partially attributable to favorable project deliveries that were non-recurring in nature. For the fourth quarter, our collective assessment is that demand will once again follow historical seasonal variations, albeit from higher levels in relation to past years. As before, market outlooks remain uncertain. We are monitoring economic developments closely and have a continued high level of preparedness to address fluctuating market conditions.”*

*Peter Nilsson,  
President and CEO*

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## Market outlook for the fourth quarter of 2013

Demand is expected to be on a par with the third quarter of 2013, adjusted for seasonal variations.

### **Market outlook from the Interim Report published on July 23, 2013, relating to the third quarter of 2013**

Demand for the third quarter of 2013 is expected to be on a par with the second quarter of 2013, adjusted for seasonal variations.

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# Continuing operations

## third quarter 2013

### Net sales

SEK M, growth, %	Q3 2013	Q3 2012	9M 2013	9M 2012
Net sales	5,306	4,961	16,328	16,296
Change total, %	7	-4	0	2
Organic sales, %	5	-2	0	1
Structural change, %	4	0	4	0
Currency effects, %	-2	-2	-4	1

Net sales for the third quarter of 2013 increased 7 percent compared with the year-earlier period and amounted to SEK 5,306 M (4,961).

Positive organic sales growth was noted for all business areas with the exception of Trelleborg Coated Systems. The organic sales trend in Europe was positive. Northern Europe recorded organic growth of nearly 3 percent, while Southern

and Eastern Europe experienced strong growth, albeit from low levels. Together, organic sales in Europe recorded growth of 7 percent. Organic sales in North America rose 2 percent, with positive movements in the majority of segments. Sales in Asia and other markets increased 3 percent on the back of strong development in several geographic markets.

### Operating profit

SEK M	Q3 2013	Q3 2012	Change, %	9M 2013	9M 2012	Change, %
Operating profit excl. items affecting comparability and participation in TrelleborgVibracoustic	688	528	30	2,050	1,896	8
Operating margin, %	13.0	10.6		12.5	11.6	
Items affecting comparability	-101	-12	-742	-342	140	-344
Profit share in TrelleborgVibracoustic <sup>1)</sup>	25	72	-66	232	72	222
Operating profit	612	588	4	1,940	2,108	-8
Operating margin, %	11.5	11.9		11.9	12.9	

<sup>1)</sup> TrelleborgVibracoustic is consolidated in Trelleborg according to equity method as from July 2012.

Operating profit excluding items affecting comparability and participations in TrelleborgVibracoustic amounted to SEK 688 M (528), a year-on-year increase of 30 percent. Continued improved cost efficiency and higher sales yielded a positive impact on profit. The operating margin was strengthened and amounted to 13.0 percent (10.6), which is the best margin on record for the Group for a single quarter. All business areas noted improved operating margins, with the exception of Trelleborg Coated Systems, whose operating margin was lower than in the preceding year.

Exchange-rate effects upon the translation of foreign subsidiaries had a negative impact of SEK 16 M on earnings compared with the year-earlier period.

The quarter was charged with items affecting comparability amounting to an expense of SEK 101 M (income: 12), which is in line with the information previously communicated.

Trelleborg's participation in TrelleborgVibracoustic is included in operating profit in accordance with the equity method. The participation excluding items affecting comparability was SEK 133 M before tax (78). The participation including items affecting comparability was SEK 25 M before tax (72). The restructuring project aimed at increasing competitiveness and ensuring future synergies in TrelleborgVibracoustic was initiated during the quarter. See page 15 for further information.

Operating profit, including the participation in TrelleborgVibracoustic and items affecting comparability, amounted to SEK 612 M (588) for the quarter.

## Operating cash flow

SEK M	Q3 2013	Q3 2012	Change, %	9M 2013	9M 2012	Change, %
Operating profit before depreciation <sup>1)</sup>	851	667	28	2,547	2,386	7
Capital expenditure	-204	-205	0	-561	-611	8
Sold non-current assets	4	5	-20	8	11	-27
Change in working capital	112	158	-29	-699	-639	-9
<b>Operating cash flow</b>	<b>763</b>	<b>625</b>	<b>22</b>	<b>1,295</b>	<b>1,147</b>	<b>13</b>

<sup>1)</sup> Excluding other non cash-flow affecting items

Operating cash flow for the period amounted to SEK 763 M (625). The improved operating profit had a positive impact on cash flow. Tied-up working capital decreased during the quarter compared with the preceding quarter but was slightly higher compared with the year-earlier period, attributable to increased business activities. The level of investment was on a

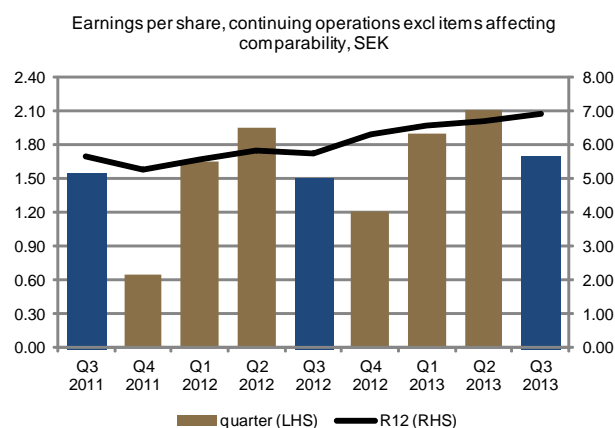
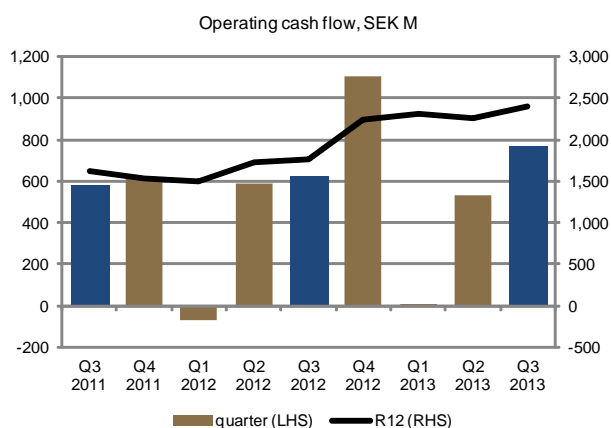
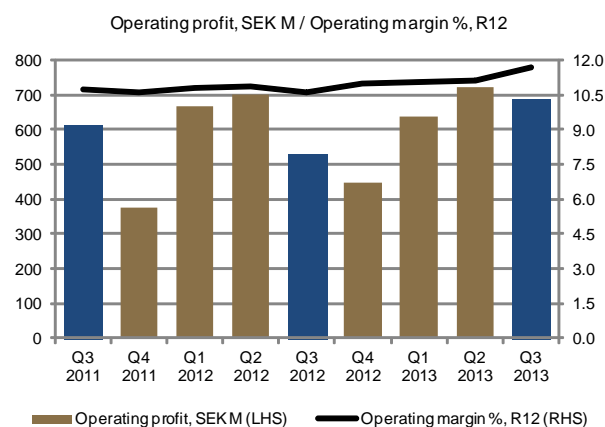
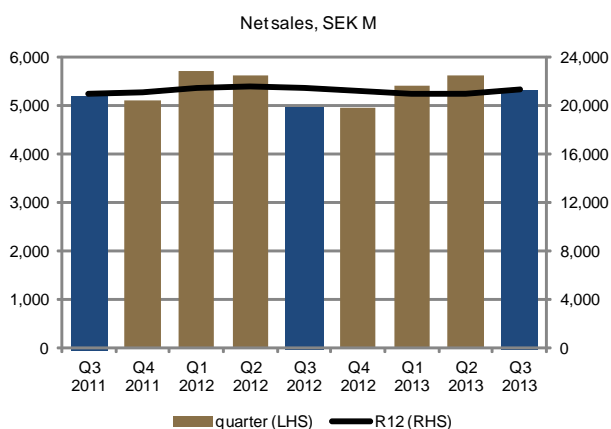
par with the preceding year. All business areas reported healthy cash flow, except for Trelleborg Coated Systems, which recorded lower cash flow than in the corresponding period in 2012.

## Return on capital employed

%	R12 2013	R12 2012	12M 2012
Return on capital employed excl items affecting comparability	14.7	13.4	13.9
Return on capital employed incl items affecting comparability	12.0	13.9	14.0

Capital employed increased slightly year-on-year, totaling SEK 17,136 M (16,459), excluding participations in TrelleborgVibracoustic. The positive result impacted the return on capital employed excluding items affecting comparability,

which increased to 14.7 percent (13.4) despite a higher level of capital.



# The Group in total third quarter 2013

## Key figures

SEK M	Q3 2013	Q3 2012	Change, %	9M 2013	9M 2012	Change, %
Net sales	5,306	4,965	7	16,328	20,271	-19
Operating profit	612	591	4	1,940	2,450	-21
Profit before tax	531	552	-4	1,785	2,297	-22
Net profit	382	398	-4	1,258	1,800	-30
Earnings per share						
Continuing operations, excl items affecting comparability, SEK <sup>1)</sup>	1.70	1.50		5.70	5.10	
Continuing operations, incl items affecting comparability, SEK	1.40	1.45		4.60	5.65	
Total Group, SEK	1.40	1.45		4.60	6.60	

<sup>1)</sup> Earnings per share in Q3 2013 amounted to 1.80 SEK, excluding interest expenses totaling SEK 36 M related to the European Commission's judgment concerning the Group's participation in a marine hose cartel.

Consolidated net sales for the third quarter amounted to SEK 5,306 M (4,965).

Operating profit was SEK 612 M (591).

Net financial income and expenses amounted to an expense of SEK 81 M (expense: 39). Net financial items were charged with interest expenses totaling SEK 36 M related to the European Commission's judgment concerning the Group's

participation in a marine hose cartel. The interest expense is attributable to the period for the appeal (2009-2013). Net financial items correspond to an average rate of interest of 2.9 percent (2.6), excluding this non-recurring item. Profit before tax amounted to SEK 531 M (552) while net profit totaled SEK 382 M (398). The tax rate was 28 percent (28). Overall earnings per share for the Group totaled SEK 1.40 (1.45).

## Net cash flow

SEK M	Q3 2013	Q3 2012	Change, %	9M 2013	9M 2012	Change, %
<b>Operating cash flow</b>	<b>763</b>	<b>625</b>	<b>22</b>	<b>1,295</b>	<b>1,147</b>	<b>13</b>
Cash impact from items affecting comparability	-223	-18	-1,139	-294	119	-347
Dividend - non-controlling interest	-	0		0	-5	100
Financial items	-68	-35	-94	-185	-133	-39
Paid tax	-110	-90	-22	-381	-304	-25
<b>Free cash flow</b>	<b>362</b>	<b>482</b>	<b>-25</b>	<b>435</b>	<b>824</b>	<b>-47</b>
Acquisitions	-32	-220	85	-205	-218	6
Discontinued operations	14	418	-97	14	466	-97
Dividend - equity holders of the parent	-	-		-813	-678	-20
<b>Sum net cash flow</b>	<b>344</b>	<b>680</b>	<b>-49</b>	<b>-569</b>	<b>394</b>	<b>-244</b>

Free cash flow was lower than in the year-earlier period despite improved operating cash flow. During the quarter, a payment was made totaling SEK 248 M, including interest

expenses, related to the European Commission's judgment on the Group's participation in a marine hose cartel.

## Net debt

Change in net debt, SEK M	9M 2013	9M 2012	12M 2012
Net debt, opening balance	-5,360	-6,425	-6,425
Net cash flow for the period	-569	394	740
Exchange rate differences	-60	383	325
Net debt, closing balance	<b>-5,989</b>	<b>-5,648</b>	<b>-5,360</b>
Debt/equity ratio, %	42	41	38
Net Debt/EBITDA continuing operations excl items affecting comparability	1.7	1.9	1.7
Net Debt/EBITDA continuing operations incl items affecting comparability	2.0	1.8	1.7
Net Debt/EBITDA Total Group	2.0	1.4	1.4

Net debt decreased by SEK 451 M compared with the preceding quarter, amounting to a negative SEK 5,989 M. Net debt was impacted by positive free cash flow, acquisitions and positive exchange-rate differences. Compared with the year-earlier period, net debt increased by SEK 341 M. Over the past 12-month period, the Group has completed acquisitions for

SEK 731 M and issued dividends to shareholders totaling SEK 813 M (678).

The debt/equity ratio was 42 percent (41). Net debt in relation to EBITDA for continuing operations, excluding items affecting comparability, was 1.7 (1.9). Net debt in relation to EBITDA for the Group in total was 2.0 (1.4).

## Return on equity

%	R12 2013	R12 2012	12M 2012
Continuing operations, excl items affecting comparability	13.4	11.6	12.5
Continuing operations, incl items affecting comparability	10.7	12.4	13.0
Total Group	10.8	15.2	15.0

Shareholders' equity for the Group at the close of the period amounted to SEK 14,238 M (13,637), excluding non-controlling interests. Equity per share amounted to SEK 53 (50).

The equity/asset ratio was 52 percent (50). Consolidated return on shareholders' equity for the most recent 12-month period was 10.8 percent (full-year 2012: 15.0).

## Continuing operations January - September 2013

The Trelleborg Group's net sales for continuing operations for the first nine months of 2013 totaled SEK 16,328 M (16,296), representing a marginal increase compared with 2012. Organic sales were unchanged, 0 percent (increase: 1). Structural changes represented a positive impact of 4 percent (0) while exchange rates had a negative impact of 4 percent (positive: 1).

Operating profit for the first nine months of 2013 was SEK 1,940 M (2,108). Items affecting comparability amounted

to an expense of SEK 342 M (income: 140), in line with the figures previously communicated. Profit before tax totaled SEK 1,785 M (1,991). Net profit was SEK 1,258 M (1,544). Earnings per share were SEK 4.60 (5.65).

Operating cash flow during the first nine months of 2013 was SEK 1,295 M (1,147).

At the end of the period, capital employed excluding participations in TrelleborgVibracoustic totaled SEK 17,136 M (16,459).

## The Group in total January - September 2013

Consolidated net sales during the first nine months of 2013 totaled SEK 16,328 M (20,271), down 19 percent compared with the year-earlier period.

Operating profit for the first nine months of 2013 amounted to SEK 1,940 M (2,450).

The financial net expense was SEK 155 M (expense: 153), corresponding to an average interest rate of 3.5 percent (3.1). Net financial items were charged with interest expenses totaling SEK 36 M related to the European Commission's

judgment concerning the Group's participation in a marine hose cartel. The interest expense is attributable to the period for the appeal (2009-2013). Excluding this non-recurring item, net financial items correspond to an average rate of interest of 2.7 percent (3.1).

Profit before tax totaled SEK 1,785 M (2,297).

Net profit amounted to SEK 1,258 M (1,800).

Total earnings per share for the Group were SEK 4.60 (6.60).

## Significant events during the quarter

### Press releases

**Largest offshore oil & gas order to date.** Trelleborg Offshore & Construction was awarded a contract to supply drill riser buoyancy modules (DRBMs) to one of the major leading drilling companies in the world. The order is the largest to date for the offshore operation of Trelleborg and is in the range of USD 50-60 M depending on final project scope. This order, together with other strategic orders recently awarded and a few pending, reinforces Trelleborg's position as a leading global manufacturer within the subsea buoyancy market.

**Acquisition of cryogenic technology.** Trelleborg Industrial Solutions signed and finalized an agreement to acquire SBM Offshore's cryogenic hose system technology. The transaction will strengthen Trelleborg's offering of innovative and critical products and solutions for the growing floating liquefied natural gas (FLNG) market.

### Other

**Nomination Committee.** At Trelleborg AB's Annual General Meeting on April 24, 2013, the Chairman of the Board was assigned the task of asking five major shareholders in the Company to appoint one member each to the Nomination Committee, who will prepare proposals regarding Board members to be presented to the 2014 Annual General Meeting for resolution.

The following individuals have agreed to participate in the Nomination Committee:

- Rolf Kjellman, Henry and Gerda Dunkers Foundation
- Henrik Didner, Didner & Gerge Funds
- Peter Rönström, Lannebo Funds
- Åsa Nisell, Swedbank Robur Funds
- Johan Strandberg, SEB Investment Management

The Annual General Meeting will be held in Trelleborg, Sweden, on April 23, 2014, at 17:00 CET.

Shareholders wishing to submit proposals regarding candidates for the Board of Trelleborg may address these by e-mail to [valberedningen@trelleborg.com](mailto:valberedningen@trelleborg.com) or directly to the Chairman of the Board Sören Mellstig or any of the above mentioned members of the Nomination Committee.

**Technology Leap program (Tekniksprånget).** During autumn 2013, Trelleborg is participating in the Technology Leap program (Tekniksprånget), an initiative organized by the Royal Swedish Academy of Engineering Sciences (IVA) that aims to provide Sweden with more engineers.

## Significant events after the close of the period

No significant events were reported after the close of the period.

## Risk management

Trelleborg focuses continuously on identifying, evaluating and managing risks arising in the Group's companies, business areas, business units and processes. Trelleborg has an Enterprise Risk Management process (ERM process) that aims to provide a Group-wide overview of Trelleborg's risks and as well as a basis for decisions of how to handle and follow up the risks management.

The principal risks and uncertainties currently faced by the Group relate to the economy's effect on demand, supply and price movements of raw materials and components, structural programs and financial business environment risks.

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).

*This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable rules of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act, Interim Reports. The accounting policies applied by the Group and Parent Company correspond to the accounting policies applied in the preparation of the most recent annual report, with the exception of that stated below.*

***New and amended standards applied from January 1, 2013***

*The Group applies the new and amended standards described below as of January 1, 2013.*

*IFRS 13 Fair Value Measurement aims to reduce complexity by providing a more precise definition of fair value and more uniform disclosure requirements. The Group's assessment is that the only effect of this new standard is the expanded supplementary disclosures.*

*IAS 1 Presentation of Financial Statements has been amended in relation to Other comprehensive income. The main change is the requirement of categorizing the items recognized in Other comprehensive income on the basis of whether or not such items will be reclassified to profit or loss in later periods. This has resulted in the addition of new headings under the statement of comprehensive income.*

*IAS 19 Employee Benefits has been amended. The amendment implies the discontinuation of the corridor approach, that all actuarial gains and losses are now to be recognized in Other comprehensive income as they arise and that costs for services rendered in previous periods will be recognized on an ongoing basis. According to the new standard, instead of interest expenses and expected return on plan assets, income/expense will be recognized net by applying a discounting rate equivalent to that used to discount the pension liability, to the Group's pension debt. Costs for the year's pension vesting and income/expenses is recognized in operating profit. The amended standard came into force on January 1, 2013 with retroactive application.*

*The transition effects on the balance sheet, shareholders' equity, income statement and Other comprehensive income for the 2012 comparative year are as follows:*

- *Shareholders' equity at January 1, 2012 was negatively impacted by SEK 173 M net after tax as a result of the recognition of unrealized actuarial losses and taking into account special employer's contributions and an increase in deferred tax assets. Accordingly, this entailed an increase of SEK 248 M in pension provisions and an increase in deferred tax assets of SEK 75 M.*
- *The impact on profit for the 2012 fiscal year has been estimated as marginal and the comparative figures have not, therefore, been restated. Other comprehensive income for 2012 was impacted by a revaluation of SEK 16 M.*
- *The total negative effect on shareholders' equity at December 31, 2012 amounted to SEK 157 M. Accordingly, the new policy resulted, at the end of 2012, in an increase of SEK 231 M in pension provisions and of SEK 74 M in deferred tax assets, compared with earlier policies.*

*This report has been subject to special review by the company's auditors.*

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Trelleborg October 23, 2013  
Board of Directors of Trelleborg AB (publ)

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## Review report

### Introduction

We have reviewed this report for the period January 1, 2013 to September 30, 2013 for Trelleborg AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Trelleborg October 23, 2013

### PricewaterhouseCoopers AB

Mikael Eriksson  
Authorized Public Accountant  
Auditor in charge

Eric Salander  
Authorized Public Accountant



# Trelleborg BUSINESS AREA Coated Systems

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

Excluding items affecting comparability, SEK M	Q3 2013	Q3 2012	Change, %	9M 2013	9M 2012	Change, %
Net sales	435	399	9	1,375	1,332	3
Change total, %	9	-8		3	-3	
Organic sales, %	-4	-7		-5	-5	
Structural change, %	16	0		13	0	
Currency effects, %	-3	-1		-5	2	
Operating profit	30	30	0	142	140	1
Operating margin, %	6.7	7.7		10.3	10.5	

Additional key ratios on pages 20 - 21

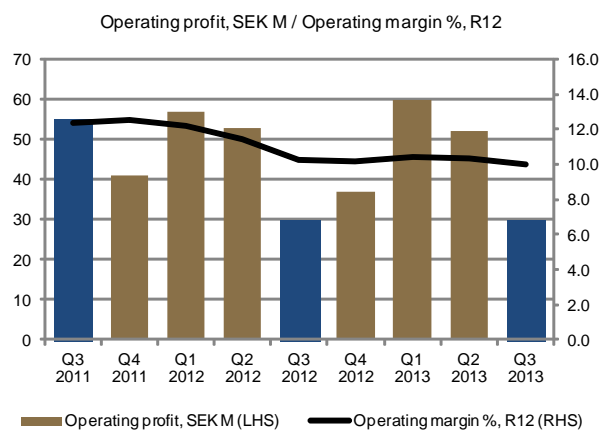
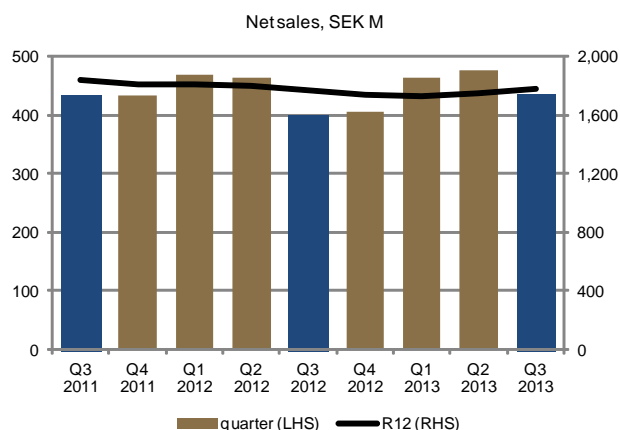
Organic sales for the quarter declined by 4 percent year-on-year. The weak market trend for printing blankets continued during the quarter, particularly in Europe. Market development in North America was generally weak. The trend was positive in all geographic markets for printing blankets to packaging applications. A favorable sales trend was noted for coated fabrics in Europe, while negative growth was reported in North America. The effects of structural changes of 16 percent were attributable to the autumn 2012 acquisition of the Brazilian manufacturer of printing blankets, which has performed in line with expectations.

During the quarter, operating profit was negatively impacted by the introduction of new production technology. Furthermore, operating profit was adversely impacted by

exchange-rate movements and costs attributable to a settled dispute related to a specific project delivered a number of years ago. Exchange-rate effects from the translation of foreign subsidiaries had a negative impact of SEK 1 M on operating profit compared with the corresponding period in 2012.

With the objective of increasing competitiveness, the business area has initiated activities after the close of the period to restructure and focus its North American operation.

The change activities in the business area are continuing, aimed at increasing profitability to the previously communicated level.





Trelleborg Industrial Solutions is a market leader in such industrial application areas as hose systems, industrial antivibration solutions and selected industrial sealing systems.

Excluding items affecting comparability, SEK M	Q3 2013	Q3 2012	Change, %	9M 2013	9M 2012	Change, %
Net sales	1,090	1,031	6	3,324	3,395	-2
Change total, %	6	-8		-2	-2	
Organic sales, %	6	-5		0	-3	
Structural change, %	-	0		-	1	
Currency effects, %	0	-3		-2	0	
Operating profit	120	70	71	326	235	39
Operating margin, %	11.0	6.8		9.8	6.9	

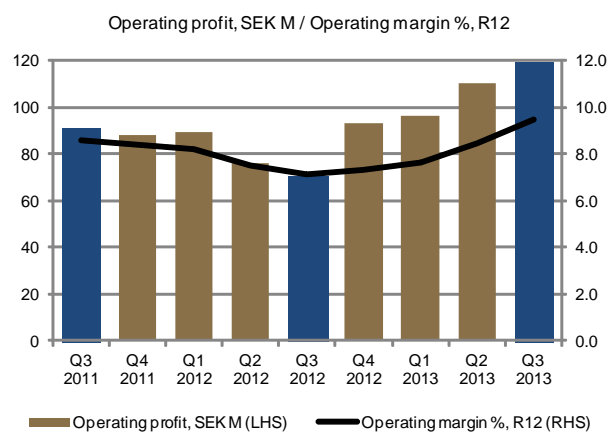
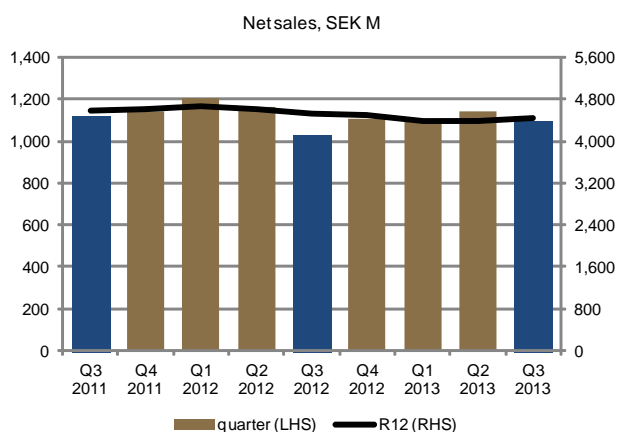
Additional key ratios on pages 20 - 21

Organic sales for the quarter rose by 6 percent year-on-year. All market segments reported positive growth during the quarter, primarily general industry, transportation equipment and light vehicles. All geographic markets demonstrated positive organic growth.

Operating profit increased year-on-year due primarily to improved market positions, favorable project deliveries, generally higher sales and the continued positive effect of

previously communicated restructuring programs. Exchange-rate effects from the translation of foreign subsidiaries had a marginal impact on operating profit compared with the year-earlier period.

The business area signed and finalized an agreement to acquire SBM Offshore's cryogenic hose system technology. See page 7 for further information.





# Trelleborg

BUSINESS AREA

# Offshore & Construction

**Trelleborg Offshore & Construction is a leading global supplier of polymer-based critical solutions for deployment in highly demanding environments.**

Excluding items affecting comparability, SEK M	Q3 2013	Q3 2012	Change, %	9M 2013	9M 2012	Change, %
Net sales	913	892	2	2,747	2,720	1
Change total, %	2	25		1	17	
Organic sales, %	3	24		2	12	
Structural change, %	4	0		4	0	
Currency effects, %	-5	1		-5	5	
Operating profit	76	45	69	204	159	28
Operating margin, %	8.3	5.1		7.4	5.9	

Additional key ratios on pages 20 - 21

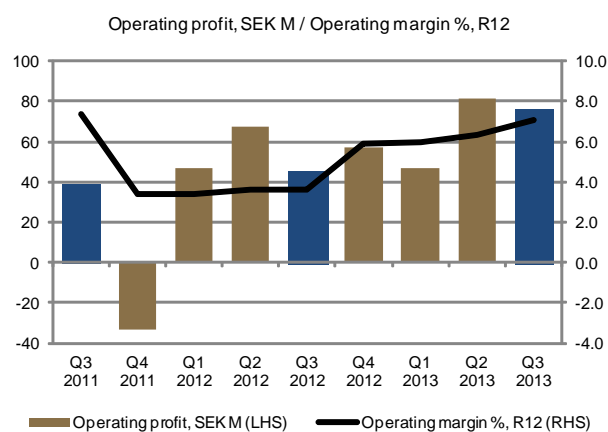
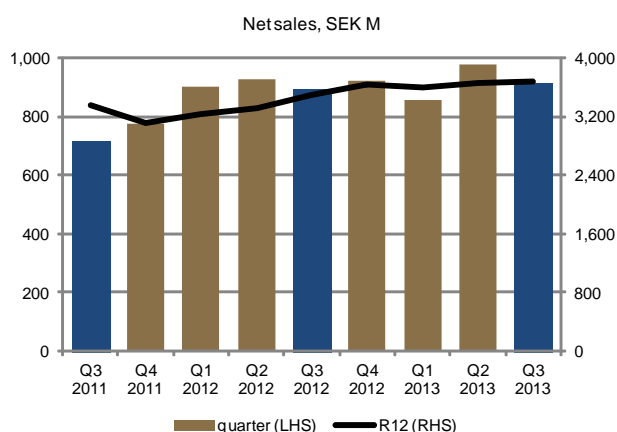
Organic sales for the quarter rose by 3 percent year-on-year. The quarter was distinguished by continued high market activity, primarily in offshore oil/gas, where Trelleborg's market-leading position was further strengthened. Project deliveries increased compared with the year-earlier period, particularly in offshore oil/gas. Continued favorable market activity was noted in the infrastructure and marine projects segment.

Operating profit rose compared with the corresponding period in 2012, due mainly to increased sales and enhanced cost efficiency. The two companies – active in marine systems and offshore oil/gas – which were acquired during the first half of the year, contributed positively to operating profit during the

quarter. Exchange-rate effects from the translation of foreign subsidiaries had a negative impact of SEK 3 M on operating profit compared with the year-earlier period.

The business area was awarded a contract to supply drill riser buoyancy modules (DRBMs) to one of the major leading drilling companies in the world. See page 7 for further information.

Trelleborg's deluge and sprinkler system, Elastopipe, with its excellent ability to withstand jet fires, was awarded United States Coast Guard (USCG) approval, permitting its installation on offshore platforms, drilling ships and floating production storage and offloading units (FPSOs) in the U.S.







Trelleborg Sealing Solutions is a leading global supplier of polymer-based sealing solutions.

Excluding items affecting comparability, SEK M	Q3 2013	Q3 2012	Change, %	9M 2013	9M 2012	Change, %
Net sales	1,787	1,706	5	5,370	5,623	-4
Change total, %	5	-8		-4	1	
Organic sales, %	6	-6		-1	-1	
Structural change, %	-	0		-	1	
Currency effects, %	-1	-2		-3	1	
Operating profit	386	343	13	1,154	1,236	-7
Operating margin, %	21.6	20.0		21.5	21.9	

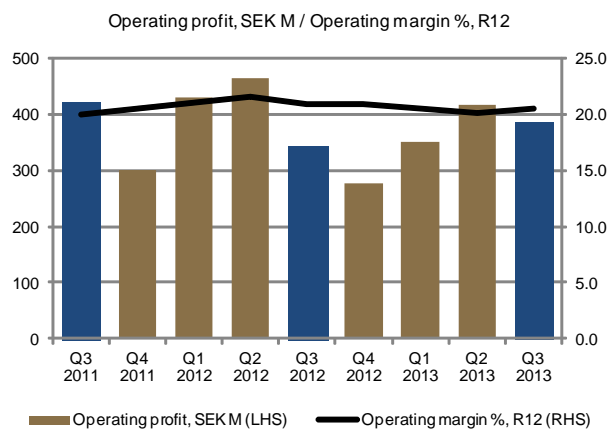
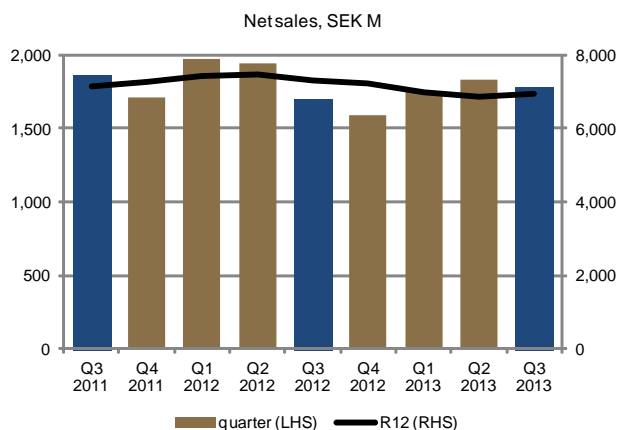
Additional key ratios on pages 20 - 21

Organic sales for the quarter increased by 6 percent year-on-year. All geographic markets, except for South America, reported positive organic growth for the quarter. Growth in Europe was attributable to a favorable trend in the general industry and light vehicles market segments. The aerospace and general industry segments accounted for the growth in North America. The light vehicles market segment is the main growth driver in Asia.

Operating profit increased compared with the corresponding period in 2012, mainly due to higher sales. Exchange-rate effects from the translation of foreign subsidiaries had a negative impact of SEK 7 M on operating profit compared with the year-earlier period.

The business area secured a contract for composite bearing material, which is used in turbines, to be used in the renovation of the U.S.'s largest hydroelectric power station. Furthermore, three new sealing solutions to facilitate more efficient and safer extraction of oil/gas in deep-sea environments were successfully introduced in the market during the quarter.

It was decided to invest in a new facility in France for the manufacture of seals and components for the aerospace industry. The facility will replace an old production unit with the aim of further strengthening the business area's position in the market segment.





**Trelleborg Wheel Systems is a leading global supplier of tires and complete wheels for agricultural and forestry machines, forklift trucks and other materials handling vehicles.**

Excluding items affecting comparability, SEK M	Q3 2013	Q3 2012	Change, %	9M 2013	9M 2012	Change, %
Net sales	1,010	852	19	3,230	3,032	7
Change total, %	19	-11		7	4	
Organic sales, %	4	-7		-2	6	
Structural change, %	16	-		13	-1	
Currency effects, %	-1	-4		-4	-1	
Operating profit	117	88	33	398	377	6
Operating margin, %	11.5	10.4		12.3	12.4	

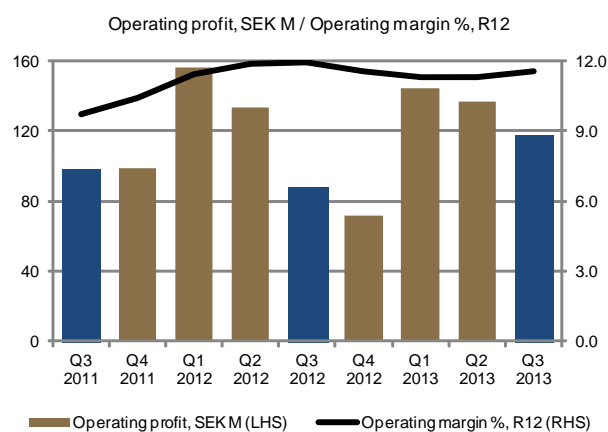
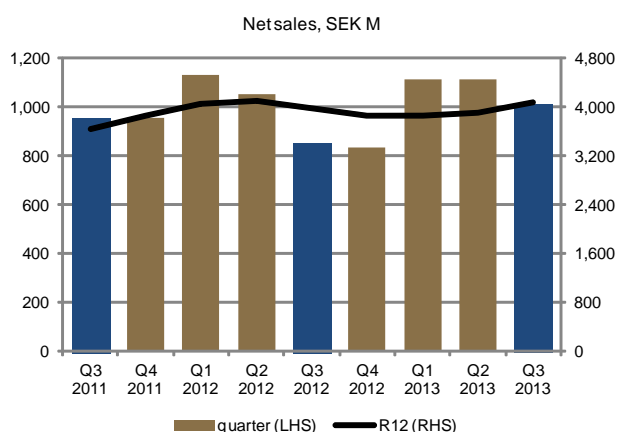
Additional key ratios on pages 20 - 21

Organic sales for the quarter increased by 4 percent year-on-year. An increase in agricultural tire sales was noted compared with the year-earlier period. Organic sales of tires for materials handling vehicles remained weak during the quarter, particularly in Europe. However, sales within that segment increased as a result of a previously completed acquisition.

Operating profit increased compared with the year-earlier period, primarily on account of higher sales and efficient cost management. Earnings for the quarter were positively impacted by the U.S. industrial tire operation acquired at the

end of 2012. Exchange-rate effects from the translation of foreign subsidiaries had a negative impact of SEK 3 M on operating profit compared with the year-earlier period.

The business area initiated a global launch of solid specialty tires for a range of vehicles used in such applications as construction and civil engineering, underground mining and waste management, and also launched a new tire solution for sugarcane harvesters.



# Joint venture



**TrelleborgVibracoustic is a global leader within antivibration solutions for light and heavy vehicles. The company was formed in July 2012 and is owned in equal shares by Trelleborg and Freudenberg.**

Please note that the joint venture reports in EUR.

Excluding items affecting comparability, EUR M	Q3 2013	Q3 2012	Change, %	proforma <sup>1)</sup>		
				9M 2013	9M 2012	Change, %
Net sales	425	402	6	1,294	1,232	5
<i>Change total, %</i>	6			5		
<i>Organic sales, %</i>	9			6		
<i>Structural change, %</i>	0			0		
<i>Currency effects, %</i>	-3			-1		
Operating profit	31	20	54	90	75	20
Operating, margin %	7.4	5.1		7.0	6.1	
Operating cashflow	26	23	13	60		
EBITDA	44	33	33	130	113	15
Capital employed, closing balance	450	438		450	438	
Net debt, closing balance	126	192		126	192	
Equity, closing balance	321	252		321	252	

<sup>1)</sup> TrelleborgVibracoustic was formed in July 2012. The proforma figures are based on a combination of previous consolidation of entities within Trelleborg Automotive and Vibracoustic.

Net sales for the quarter rose by 6 percent year-on-year. Strong sales in primarily China, North America and Brazil contributed to organic sales increasing by 9 percent, which significantly outperformed the underlying market. Compared with the year-earlier period, global light-vehicle production was slightly positive during the quarter, driven mainly by Asia and North America. The trend in Europe remained negative in relation to the year-earlier period.

Operating profit and the operating margin were higher year-on-year. Increased volumes, some minor synergy effects and enhanced production efficiency had a positive impact on earnings.

Operating cash flow was positive for the quarter, primarily as a result of effective working-capital management.

In addition to the information presented above, restructuring projects aimed at enhancing competitiveness and generating future synergies in TrelleborgVibracoustic were initiated during the quarter. As part of this process, it was decided to introduce area specific *Centers of Excellence*, which will affect the European operations. Moreover, restructuring projects were initiated in Sweden and Hungary, in order to enhance structural efficiency. In total, these projects impacted the operating profit for the quarter by approximately EUR 22 M.

# Trelleborg's participation in TrelleborgVibracoustic

TrelleborgVibracoustic is reported as an associated company in Trelleborg's financial accounts and is recognized according to the equity method.

<b>SEK M</b>	<b>Q3 2013</b>	<b>Q3 2012</b>	<b>Change, %</b>	<sup>2)</sup> <b>9M 2013</b>
<i>Operating profit EUR M, see page 15</i>	31	20	54	90
Operating profit excl items affecting comparability	272	173	57	773
Acquisition related costs	-15	-5		-33
Amortization of intangible assets <sup>1)</sup>	-9	-		-28
Restructuring items	-193	-6		-200
Operating profit	55	162	-66	512
Financial income and expenses	-6	-18	-68	-49
Profit before tax	49	144	-66	463
<i>Trelleborg share</i>	25	72	-66	232
Tax	-25	-36	-31	-151
<i>Trelleborg share</i>	-13	-18	-31	-76
Net profit	24	108	-78	312
<i>Trelleborg share</i>	12	54	-78	156

<sup>1)</sup> Related to split of acquisition balance

<sup>2)</sup> TrelleborgVibracoustic was formed in July 2012, no comparative figures for period 9M 2012

Trelleborg's participation in TrelleborgVibracoustic is included in operating profit in accordance with the equity method. The share in profit is reported on two lines in the income statement; profit before tax and tax. The participation excluding items affecting comparability amounted to SEK 133 M before tax (78). The participation including items affecting comparability

was SEK 25 M before tax (72). During the quarter, restructuring projects were expensed in the amount of SEK 193 M. See page 15 for further information.

The tax expense for the quarter includes certain non-recurring items. The underlying tax rate during the first nine months of 2013 was 29 percent excluding non-recurring items.



## Financial statements

## Income Statements

SEK M	Q3 2013	Q3 2012	9M 2013	9M 2012	R12 2013	12M 2012
<b>Continuing operations</b>						
Net sales	5,306	4,961	16,328	16,296	21,294	21,262
Cost of goods sold	-3,492	-3,402	-10,809	-10,991	-14,213	-14,395
<b>Gross profit</b>	<b>1,814</b>	<b>1,559</b>	<b>5,519</b>	<b>5,305</b>	<b>7,081</b>	<b>6,867</b>
Selling expenses	-522	-468	-1,578	-1,527	-2,079	-2,028
Administrative expenses	-559	-545	-1,738	-1,739	-2,335	-2,336
Research and development costs	-75	-74	-225	-229	-305	-309
Other operating income/expenses	30	54	71	83	133	145
Profit from TrelleborgVibracoustic	25	72	232	72	269	109
Profit from part in other assoc companies	0	2	1	3	1	3
Items affecting comparability	-101	-12	-342	140	-471	11
<b>Operating profit</b>	<b>612</b>	<b>588</b>	<b>1,940</b>	<b>2,108</b>	<b>2,294</b>	<b>2,462</b>
Financial income and expenses <sup>1)</sup>	-81	-39	-155	-117	-192	-154
<b>Profit before tax</b>	<b>531</b>	<b>549</b>	<b>1,785</b>	<b>1,991</b>	<b>2,102</b>	<b>2,308</b>
Tax	-136	-133	-451	-429	-510	-488
Tax related to part in TrelleborgVibracoustic	-13	-18	-76	-18	-90	-32
<b>Total tax</b>	<b>-149</b>	<b>-151</b>	<b>-527</b>	<b>-447</b>	<b>-600</b>	<b>-520</b>
<b>Net profit</b>	<b>382</b>	<b>398</b>	<b>1,258</b>	<b>1,544</b>	<b>1,502</b>	<b>1,788</b>
<b>Discontinued operations <sup>2)</sup></b>						
Net sales	-	4	-	3,975	0	3,975
Operating profit	-	3	-	342	11	353
Profit before tax	-	3	-	306	12	318
Net profit	-	0	-	256	13	269
<b>Group</b>						
<b>Net sales</b>	<b>5,306</b>	<b>4,965</b>	<b>16,328</b>	<b>20,271</b>	<b>21,294</b>	<b>25,237</b>
<b>Operating profit</b>	<b>612</b>	<b>591</b>	<b>1,940</b>	<b>2,450</b>	<b>2,305</b>	<b>2,815</b>
<b>Profit before tax</b>	<b>531</b>	<b>552</b>	<b>1,785</b>	<b>2,297</b>	<b>2,114</b>	<b>2,626</b>
<b>Total net profit</b>	<b>382</b>	<b>398</b>	<b>1,258</b>	<b>1,800</b>	<b>1,515</b>	<b>2,057</b>
- equity holders of the parent	380	396	1,253	1,786	1,509	2,042
- non-controlling interest	2	2	5	14	6	15
<b>Earnings per share, SEK</b>						
	<b>Q3 2013</b>	<b>Q3 2012</b>	<b>9M 2013</b>	<b>9M 2012</b>	<b>R12 2013</b>	<b>12M 2012</b>
Continuing operations	1.40	1.45	4.60	5.65	5.50	6.55
Discontinued operations <sup>2)</sup>	0.00	0.00	0.00	0.95	0.05	1.00
<b>Group, total</b>	<b>1.40</b>	<b>1.45</b>	<b>4.60</b>	<b>6.60</b>	<b>5.55</b>	<b>7.55</b>
<b>Number of shares</b>						
End of period	271,071,783	271,071,783	271,071,783	271,071,783	271,071,783	271,071,783
Average number	271,071,783	271,071,783	271,071,783	271,071,783	271,071,783	271,071,783

<sup>1)</sup> 2013 figures include one-off interest costs of 36 MSEK related to the European Commission's judgment on the Trelleborg Group's participation in a cartel on marine oil hoses.

<sup>2)</sup> Mainly including operations divested to the joint venture TrelleborgVibracoustic in July 2012.

## Statements of comprehensive income

SEK M	Q3 2013	Q3 2012	9M 2013	9M 2012	R12 2013	12M 2012
<b>Total net profit</b>	<b>382</b>	<b>398</b>	<b>1,258</b>	<b>1,800</b>	<b>1,515</b>	<b>2,057</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to the income</b>						
Actuarial gains and losses	14	4	38	12	42	16
	14	4	38	12	42	16
<b>Items that may be reclassified to the income statement</b>						
Cash flow hedges	15	5	55	4	61	10
Hedging of net investment	172	472	55	614	-23	536
Translation difference <sup>3)</sup>	-408	-734	-321	-1,112	-181	-972
Income tax relating to components of other comprehensive income <sup>3)</sup>	-30	-134	-6	-159	11	-142
	-251	-391	-217	-653	-132	-568
<b>Other comprehensive income, net of tax</b>	<b>-237</b>	<b>-387</b>	<b>-179</b>	<b>-641</b>	<b>-90</b>	<b>-552</b>
<b>Total comprehensive income</b>	<b>145</b>	<b>11</b>	<b>1,079</b>	<b>1,159</b>	<b>1,425</b>	<b>1,505</b>

<sup>3)</sup> Whereof discontinued operations, translation difference SEK -59 M and income tax SEK 19 M included in the period Jul - Sep 2012.

**Balance Sheets**

<b>Group</b>	<b>Sep 30</b>	<b>Sep 30</b>	<b>Dec 31</b>
<b>SEK M</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>
Property, plant and equipment	4,872	4,664	4,909
Intangible assets	8,978	8,736	8,824
Shares in associated companies	3,026	2,849	2,867
Other financial assets	973	1,307	1,126
<b>Total non-current assets</b>	<b>17,849</b>	<b>17,556</b>	<b>17,726</b>
Inventories	3,182	3,298	3,275
Current operating receivables	5,275	5,053	4,420
Current interest-bearing receivables	428	965	1,143
Cash and cash equivalents	824	629	660
<b>Total current assets</b>	<b>9,709</b>	<b>9,945</b>	<b>9,498</b>
<b>Total assets</b>	<b>27,558</b>	<b>27,501</b>	<b>27,224</b>
Equity holders of the parent	14,238	13,637	13,977
Non-controlling interest	40	46	35
<b>Total equity</b>	<b>14,278</b>	<b>13,683</b>	<b>14,012</b>
Non-current interest-bearing liabilities	5,156	5,565	4,942
Other non-current liabilities	937	1,103	1,119
<b>Total non-current liabilities</b>	<b>6,093</b>	<b>6,668</b>	<b>6,061</b>
Interest-bearing current liabilities	2,306	2,147	2,433
Other current liabilities	4,881	5,003	4,718
<b>Total current liabilities</b>	<b>7,187</b>	<b>7,150</b>	<b>7,151</b>
<b>Total equity and liabilities</b>	<b>27,558</b>	<b>27,501</b>	<b>27,224</b>

<b>Specification of changes in equity</b>	<b>Sep 30</b>	<b>Sep 30</b>	<b>Dec 31</b>
<b>SEK M</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>
<i>Attributable to equity holders of the parent</i>			
Opening balance, January 1	13,977	13,338	13,338
Effect from change in accounting principles	-	-173	-173
Adjusted opening balance, January 1	13,977	13,165	13,165
Total comprehensive income	1,074	1,150	1,490
Dividend	-813	-678	-678
<b>Closing balance</b>	<b>14,238</b>	<b>13,637</b>	<b>13,977</b>
<i>Attributable to non-controlling interest</i>			
Opening balance, January 1	35	166	166
Total comprehensive income	5	9	15
Acquisition	-	-	-14
Divested operations	-	-124	-127
Dividend	0	-5	-5
<b>Closing balance</b>	<b>40</b>	<b>46</b>	<b>35</b>
<b>Sum total equity, closing balance</b>	<b>14,278</b>	<b>13,683</b>	<b>14,012</b>

**Cash flow statements**

<b>Group, SEK M</b>	<b>Q3 2013</b>	<b>Q3 2012</b>	<b>9M 2013</b>	<b>9M 2012</b>	<b>R12 2013</b>	<b>12M 2012</b>
<i>Operating activities</i>						
Operating profit incl part in associated companies	612	588	1,940	2,108	2,294	2,462
Adjustments for items not included in cash flow:						
Depreciation, property, plant and equipment	154	143	462	466	624	628
Amortization, intangible assets	11	12	36	34	50	48
Impairment losses, property, plant and equipment	29	1	31	5	48	22
Impairment losses, intangible assets	-	1	0	1	-1	0
Provision for restructuring costs	71	12	312	63	417	168
Other, non cash-flow affecting items	-26	-90	-234	-88	-268	-122
Operating activities in discontinued operations	-	6	-	316	-6	310
	<b>851</b>	<b>673</b>	<b>2,547</b>	<b>2,905</b>	<b>3,158</b>	<b>3,516</b>
Interest received and other financial items	4	21	19	26	33	40
Interest paid and other financial items	-72	-56	-204	-159	-235	-190
Interest and other financial items in discontinued operations	-	0	-	-36	1	-35
Taxes paid	-110	-90	-381	-304	-537	-460
Taxes paid in discontinued operations	-	-2	-	-35	1	-34
<b>Cash flow from operating activities before changes in working capital</b>	<b>673</b>	<b>546</b>	<b>1,981</b>	<b>2,397</b>	<b>2,421</b>	<b>2,837</b>
<i>Cash flow from changes in working capital:</i>						
Change in inventories	98	66	61	11	372	322
Change in operating receivables	235	-87	-891	-1,002	-377	-488
Change in operating liabilities	-221	179	131	352	41	262
Change in working capital in discontinued operations	-	-5	-	-404	4	-400
Utilization of restructuring provisions	-223	-18	-294	-84	-332	-122
<b>Cash flow from operating activities</b>	<b>562</b>	<b>681</b>	<b>988</b>	<b>1,270</b>	<b>2,129</b>	<b>2,411</b>
<i>Investing activities</i>						
Acquisitions	-32	-220	-205	-218	-731	-744
Discontinued operations	14	3	14	310	32	328
Capital expenditure, property, plant and equipment	-191	-192	-514	-583	-778	-847
Capital expenditure in intangible assets	-13	-13	-47	-28	-82	-63
Capital expenditure in non-current assets in discontinued operations	-	0	-	-126	-8	-134
Sale of non-current assets	4	5	8	11	56	59
Sale of non-current assets in discontinued operations	-	-	-	24	-	24
<b>Cash flow from investing activities</b>	<b>-218</b>	<b>-417</b>	<b>-744</b>	<b>-610</b>	<b>-1,511</b>	<b>-1,377</b>
<i>Financing activities</i>						
Change in interest-bearing investments	179	-107	694	-118	687	-125
Change in interest-bearing liabilities	-339	-157	78	60	-255	-273
Dividend - equity holders of the parent	-	-	-813	-678	-813	-678
Dividend - non-controlling interest	-	-	0	-5	0	-5
<b>Cash flow from financing activities</b>	<b>-160</b>	<b>-264</b>	<b>-41</b>	<b>-741</b>	<b>-381</b>	<b>-1,081</b>
<b>Cash flow for the period</b>	<b>184</b>	<b>0</b>	<b>203</b>	<b>-81</b>	<b>237</b>	<b>-47</b>
<i>Cash and cash equivalents:</i>						
At beginning of the period	666	655	660	753	629	753
Exchange rate differences	-26	-26	-39	-43	-42	-46
<b>Cash and cash equivalents at end of period</b>	<b>824</b>	<b>629</b>	<b>824</b>	<b>629</b>	<b>824</b>	<b>660</b>

## Continuing operations (unless otherwise stated)

SEK M	Q3 2013	Q3 2012	9M 2013	9M 2012	R12 2013	12M 2012
<b>Net sales</b>						
Trelleborg Coated Systems	435	399	1,375	1,332	1,781	1,738
Trelleborg Industrial Solutions	1,090	1,031	3,324	3,395	4,431	4,502
Trelleborg Offshore & Construction	913	892	2,747	2,720	3,671	3,644
Trelleborg Sealing Solutions	1,787	1,706	5,370	5,623	6,962	7,215
Trelleborg Wheel Systems	1,010	852	3,230	3,032	4,063	3,865
Group items	199	231	716	830	962	1,076
Eliminations	-128	-150	-434	-636	-576	-778
<b>Total</b>	<b>5,306</b>	<b>4,961</b>	<b>16,328</b>	<b>16,296</b>	<b>21,294</b>	<b>21,262</b>

<b>Operating profit <sup>1)</sup></b>						
Trelleborg Coated Systems	30	30	142	140	179	177
Trelleborg Industrial Solutions	120	70	326	235	419	328
Trelleborg Offshore & Construction	76	45	204	159	261	216
Trelleborg Sealing Solutions	386	343	1,154	1,236	1,431	1,513
Trelleborg Wheel Systems	117	88	398	377	470	449
Group items	-41	-48	-174	-251	-264	-341
<b>Total</b>	<b>688</b>	<b>528</b>	<b>2,050</b>	<b>1,896</b>	<b>2,496</b>	<b>2,342</b>

<b>Operating margin, % <sup>1)</sup></b>						
Trelleborg Coated Systems	6.7	7.7	10.3	10.5	10.0	10.2
Trelleborg Industrial Solutions	11.0	6.8	9.8	6.9	9.4	7.3
Trelleborg Offshore & Construction	8.3	5.1	7.4	5.9	7.1	5.9
Trelleborg Sealing Solutions	21.6	20.0	21.5	21.9	20.5	20.9
Trelleborg Wheel Systems	11.5	10.4	12.3	12.4	11.5	11.6
<b>Total</b>	<b>13.0</b>	<b>10.6</b>	<b>12.5</b>	<b>11.6</b>	<b>11.7</b>	<b>11.0</b>

<sup>1)</sup> Excluding items affecting comparability and participations in TrelleborgVibracoustic

Net sales per market, share and organic growth, %	Q3 2013	Q3 2012	9M 2013	9M 2012	12M 2012
Western Europe (56%)	5	-7	0	-4	-4
Other Europe (5%)	30	-5	27	-5	-3
North America (20%)	2	6	-7	16	15
South and Central America (3%)	-13	-1	-11	4	0
Asia and other markets (16%)	3	6	4	2	2
<b>Total (100% refer to share 2012)</b>	<b>5</b>	<b>-2</b>	<b>0</b>	<b>1</b>	<b>1</b>

Items affecting comparability in operating profit, SEK M	Q3 2013	Q3 2012	9M 2013	9M 2012
Cost of goods sold	-47	-6	-92	-24
Selling expenses	1	-	-8	-5
Administrative expenses	-6	-2	-11	-24
Research and development costs	-	0	0	-
Other operating income	-	0	-	203
Other operating expenses	-49	-4	-231	-10
<b>Total items affecting comparability</b>	<b>-101</b>	<b>-12</b>	<b>-342</b>	<b>140</b>

TRELLEBORG AB - THIRD QUARTER 2013

SEK M	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
<b>Net sales</b>									
Trelleborg Coated Systems	435	477	463	406	399	464	469	434	432
Trelleborg Industrial Solutions	1,090	1,140	1,094	1,107	1,031	1,162	1,202	1,140	1,118
Trelleborg Offshore & Construction	913	978	856	924	892	929	899	777	713
Trelleborg Sealing Solutions	1,787	1,833	1,750	1,592	1,706	1,944	1,973	1,707	1,863
Trelleborg Wheel Systems	1,010	1,111	1,109	833	852	1,052	1,128	954	953
Group items	199	246	271	246	231	290	309	305	379
Eliminations	-128	-157	-149	-142	-150	-229	-257	-213	-271
<b>Total</b>	<b>5,306</b>	<b>5,628</b>	<b>5,394</b>	<b>4,966</b>	<b>4,961</b>	<b>5,612</b>	<b>5,723</b>	<b>5,104</b>	<b>5,187</b>
<b>Operating profit<sup>1)</sup></b>									
Trelleborg Coated Systems	30	52	60	37	30	53	57	41	55
Trelleborg Industrial Solutions	120	110	96	93	70	76	89	88	91
Trelleborg Offshore & Construction	76	81	47	57	45	67	47	-33	39
Trelleborg Sealing Solutions	386	416	352	277	343	464	429	301	422
Trelleborg Wheel Systems	117	137	144	72	88	133	156	99	98
Group items	-41	-73	-60	-90	-48	-91	-112	-120	-93
<b>Total</b>	<b>688</b>	<b>723</b>	<b>639</b>	<b>446</b>	<b>528</b>	<b>702</b>	<b>666</b>	<b>376</b>	<b>612</b>
<b>Operating margin, %<sup>1)</sup></b>									
Trelleborg Coated Systems	6.7	11.0	13.0	9.1	7.7	11.3	12.2	9.5	12.8
Trelleborg Industrial Solutions	11.0	9.6	8.8	8.4	6.8	6.6	7.4	7.8	8.1
Trelleborg Offshore & Construction	8.3	8.2	5.5	6.1	5.1	7.1	5.3	neg	5.4
Trelleborg Sealing Solutions	21.6	22.7	20.1	17.4	20.0	23.8	21.7	17.7	22.6
Trelleborg Wheel Systems	11.5	12.4	13.0	8.5	10.4	12.6	13.8	10.4	10.3
<b>Total</b>	<b>13.0</b>	<b>12.8</b>	<b>11.8</b>	<b>9.0</b>	<b>10.6</b>	<b>12.5</b>	<b>11.6</b>	<b>7.4</b>	<b>11.8</b>
Items aff. comparability in operating profit	-101	-204	-37	-129	-12	171	-19	-63	-46
Profit from part in TrelleborgVibracoustic	25	97	110	37	72	-	-	-	-
<b>Operating profit</b>	<b>612</b>	<b>616</b>	<b>712</b>	<b>354</b>	<b>588</b>	<b>873</b>	<b>647</b>	<b>313</b>	<b>566</b>

<sup>1)</sup> Excluding items affecting comparability

TRELLEBORG AB - THIRD QUARTER 2013

<b>Income Statements, SEK M</b>	<b>Q3 2013</b>	<b>Q2 2013</b>	<b>Q1 2013</b>	<b>Q4 2012</b>	<b>Q3 2012</b>	<b>Q2 2012</b>	<b>Q1 2012</b>	<b>Q4 2011</b>	<b>Q3 2011</b>
<b>Continuing operations</b>									
Net sales	5,306	5,628	5,394	4,966	4,961	5,612	5,723	5,104	5,187
Cost of goods sold	-3,492	-3,702	-3,615	-3,404	-3,402	-3,720	-3,869	-3,570	-3,440
<b>Gross profit</b>	<b>1,814</b>	<b>1,926</b>	<b>1,779</b>	<b>1,562</b>	<b>1,559</b>	<b>1,892</b>	<b>1,854</b>	<b>1,534</b>	<b>1,747</b>
Selling expenses	-522	-538	-518	-501	-468	-542	-517	-506	-502
Administrative expenses	-559	-599	-580	-597	-545	-605	-589	-654	-584
Research and development costs	-75	-77	-73	-80	-74	-79	-76	-72	-65
Other operating income/costs	30	10	31	62	54	35	-6	74	16
Profit from TrelleborgVibracoustic	25	97	110	37	72	-	-	-	-
Profit from part in other assoc companies	0	1	0	0	2	1	0	0	0
Items affecting comparability	-101	-204	-37	-129	-12	171	-19	-63	-46
<b>Operating profit</b>	<b>612</b>	<b>616</b>	<b>712</b>	<b>354</b>	<b>588</b>	<b>873</b>	<b>647</b>	<b>313</b>	<b>566</b>
Financial income and expenses	-81	-32	-42	-37	-39	-34	-44	-70	-27
<b>Profit before tax</b>	<b>531</b>	<b>584</b>	<b>670</b>	<b>317</b>	<b>549</b>	<b>839</b>	<b>603</b>	<b>243</b>	<b>539</b>
Tax	-136	-165	-150	-59	-133	-130	-166	-110	-143
Tax related to TrelleborgVibracoustic	-13	-34	-29	-14	-18	-	-	-	-
<b>Total tax</b>	<b>-149</b>	<b>-199</b>	<b>-179</b>	<b>-73</b>	<b>-151</b>	<b>-130</b>	<b>-166</b>	<b>-110</b>	<b>-143</b>
<b>Net profit</b>	<b>382</b>	<b>385</b>	<b>491</b>	<b>244</b>	<b>398</b>	<b>709</b>	<b>437</b>	<b>133</b>	<b>396</b>
<b>Discontinued operations <sup>1)</sup></b>									
Net sales	-	-	-	0	4	1,921	2,050	2,002	2,004
Operating profit	-	-	-	11	3	242	97	146	55
Profit before tax	-	-	-	12	3	217	86	153	28
Net profit	-	-	-	13	0	192	64	133	24
<b>Group</b>									
<b>Net sales</b>	<b>5,306</b>	<b>5,628</b>	<b>5,394</b>	<b>4,966</b>	<b>4,965</b>	<b>7,533</b>	<b>7,773</b>	<b>7,106</b>	<b>7,191</b>
<b>Operating profit</b>	<b>612</b>	<b>616</b>	<b>712</b>	<b>365</b>	<b>591</b>	<b>1,115</b>	<b>744</b>	<b>459</b>	<b>621</b>
<b>Profit before tax</b>	<b>531</b>	<b>584</b>	<b>670</b>	<b>329</b>	<b>552</b>	<b>1,056</b>	<b>689</b>	<b>396</b>	<b>567</b>
<b>Total net profit</b>	<b>382</b>	<b>385</b>	<b>491</b>	<b>257</b>	<b>398</b>	<b>901</b>	<b>501</b>	<b>266</b>	<b>420</b>
- equity holders of the parent	380	384	489	256	396	896	494	262	413
- non-controlling interest	2	1	2	1	2	5	7	4	7
<b>Earnings per share, SEK</b>									
Continuing operations	1.40	1.40	1.80	0.90	1.45	2.60	1.60	0.50	1.45
Discontinued operations <sup>1)</sup>	0.00	0.00	0.00	0.05	0.00	0.75	0.20	0.45	0.10
<b>Group, total</b>	<b>1.40</b>	<b>1.40</b>	<b>1.80</b>	<b>0.95</b>	<b>1.45</b>	<b>3.35</b>	<b>1.80</b>	<b>0.95</b>	<b>1.55</b>

<sup>1)</sup> Mainly including operations divested to the joint venture TrelleborgVibracoustic in July 2012.

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

At September 30, 2013 SEK M	Assets/liabilities at fair value in profit and loss		Derivatives valued at fair value in profit and loss		Derivatives used for hedging purposes		Total
	Carrying amount	Measurement level	Carrying amount	Measurement level	Carrying amount	Measurement level	
Other financial non-current assets	22	2	-	-	-	-	22
Accounts receivable and other receivables	-	-	10	2	10	2	20
Current interest-bearing receivables	137	2	20	2	32	2	189
<b>Total assets</b>	<b>159</b>		<b>30</b>		<b>42</b>		<b>231</b>
Interest-bearing non-current liabilities	-	-	-	-	50	2	50
Interest-bearing current liabilities	-	-	4	2	21	2	25
Accounts payable and other liabilities	-	-	2	2	43	2	45
<b>Total liabilities</b>	<b>-</b>		<b>6</b>		<b>114</b>		<b>120</b>

At December 31, 2012 SEK M	Assets/liabilities at fair value in profit and loss		Derivatives valued at fair value in profit and loss		Derivatives used for hedging purposes		Total
	Carrying amount	Measurement level	Carrying amount	Measurement level	Carrying amount	Measurement level	
Other financial non-current assets	25	2	-	-	-	-	25
Accounts receivable and other receivables	-	-	-	-	19	2	19
Current interest-bearing receivables	70	2	40	2	105	2	215
<b>Total assets</b>	<b>95</b>		<b>40</b>		<b>124</b>		<b>259</b>
Interest-bearing non-current liabilities	-	-	-	-	110	2	110
Interest-bearing current liabilities	-	-	72	2	10	2	82
Accounts payable and other liabilities	-	-	8	2	67	2	75
<b>Total liabilities</b>	<b>-</b>		<b>80</b>		<b>187</b>		<b>267</b>

## Valuation techniques used to derive Level 2 fair values

Level 2 derivatives comprise forward foreign contracts and interest rate swaps and are used mainly for hedging purposes but also for proprietary trading. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for Level 2 derivatives.

## Disclosure of fair value for debt and other financial instruments measured at amortized cost in the balance sheet

All debt bears variable interest and the recognized amounts for interest-bearing liabilities are deemed to correspond to their fair value. For other financial instruments the recognized amounts are also deemed to correspond to their fair value.

## Parent Company

<b>Income statements, SEK M</b>	<b>Q3 2013</b>	<b>Q3 2012</b>	<b>9M 2013</b>	<b>9M 2012</b>	<b>R12 2013</b>	<b>12M 2012</b>
Administrative expenses	-43	-45	-155	-158	-310	-313
Other operating income	1	4	193	191	223	221
<b>Operating profit</b>	<b>-42</b>	<b>-41</b>	<b>38</b>	<b>33</b>	<b>-87</b>	<b>-92</b>
Financial income and expenses	-198	-244	-424	-367	-709	-652
<b>Profit before tax</b>	<b>-240</b>	<b>-285</b>	<b>-386</b>	<b>-334</b>	<b>-796</b>	<b>-744</b>
Appropriations	-	-	-	-	1,372	1,372
Tax	52	75	138	184	-134	-88
<b>Net profit</b>	<b>-188</b>	<b>-210</b>	<b>-248</b>	<b>-150</b>	<b>442</b>	<b>540</b>

<b>Statements of comprehensive income, SEK M</b>	<b>Q3 2013</b>	<b>Q3 2012</b>	<b>9M 2013</b>	<b>9M 2012</b>	<b>R12 2013</b>	<b>12M 2012</b>
<b>Net profit</b>	<b>-188</b>	<b>-210</b>	<b>-248</b>	<b>-150</b>	<b>442</b>	<b>540</b>
<b>Total comprehensive income</b>	<b>-188</b>	<b>-210</b>	<b>-248</b>	<b>-150</b>	<b>442</b>	<b>540</b>

<b>Balance sheets</b>	<b>Sep 30</b>	<b>Sep 30</b>	<b>Dec 31</b>
<b>SEK M</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>
Property, plant and equipment	23	21	24
Intangible assets	1	4	2
Financial assets	35,957	35,848	35,744
<b>Total non-current assets</b>	<b>35,981</b>	<b>35,873</b>	<b>35,770</b>
Current receivables	75	83	85
Current tax assets	56	-	-
Interest-bearing receivables	100	205	2,102
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>231</b>	<b>288</b>	<b>2,187</b>
<b>Total assets</b>	<b>36,212</b>	<b>36,161</b>	<b>37,957</b>
Shareholders' equity	12,280	12,649	13,339
<b>Total equity</b>	<b>12,280</b>	<b>12,649</b>	<b>13,339</b>
Untaxed reserves	105	-	105
Interest-bearing non-current liabilities	33	32	33
Other non-current liabilities	25	14	18
<b>Total non-current liabilities</b>	<b>58</b>	<b>46</b>	<b>51</b>
Interest-bearing current liabilities	23,720	23,399	24,210
Other current liabilities	49	67	252
<b>Total current liabilities</b>	<b>23,769</b>	<b>23,466</b>	<b>24,462</b>
<b>Total equity and liabilities</b>	<b>36,212</b>	<b>36,161</b>	<b>37,957</b>



## Financial definitions

**Return on shareholders' equity, %** Profit for the period, attributable to shareholders of the Parent Company as a percentage of average shareholders' equity, excluding non-controlling interests.

**Return on capital employed, %** Operating profit divided by the average capital employed.

**EBITDA** Operating profit excluding depreciation of PPE and amortization of intangible assets.

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

**Equity method** Shares in associated companies are accounted for according to the equity method, in which the initial participation in the associated company is adjusted to reflect the Group's participation in the profit of the associated company and any dividends. As regards the Group's largest associated company, TrelleborgVibracoustic, the share in profit is reported on two lines in the income statement; profit before tax and tax.

**Net debt** Interest-bearing liabilities less interest-bearing assets

and cash and cash equivalents.

**Net debt/EBITDA** Net debt divided by EBITDA.

**Operating cash flow** EBITDA excluding other non-cash items, investments, sold non-current assets and changes in working capital but excluding cash flow pertaining to restructuring.

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

**Operating margin, %** Operating profit as a percentage of net sales.

**Operating profit** Operating profit as stated in the income statement.

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

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

**Capital employed** Total assets less interest-bearing financial assets and noninterest-bearing operating liabilities (including pension liabilities) and excluding tax assets and tax liabilities.

## Glossary

**DRBMs** [Drill Riser Buoyancy Modules](#).

**FLNG** Floating Liquefied Natural Gas.

**FPSO** Floating Production, Storage and Offloading Installation.

**Jet fire** The most extreme type of fire.

**Cryogenic hose system** [Hose systems made to handle very low temperatures](#).

**OEM** Original Equipment Manufacturer, the end producer of, for example, a tractor.

**Plastics** can be divided into two main groups. **Thermoplastics** are non-cross-linked plastics that are solid at room temperature but become soft and moldable when heated. **Hard plastics** are cross-linked plastics that disintegrate upon heating and do not regain their properties.

**Polymer** The word is derived from the Greek "poly," meaning "many" and "meros" meaning "parts." Polymers are made up of many small molecules – monomers – that are linked in long chains. Examples of polymers are plastics and rubber.

**Polymer technology** The technology relating to manufacturing processes for polymers in combination with their unique properties.

## Seasonal effects

The various market segments are subject to seasonal effects. Demand for the Group is normally higher in the first six months of the year than in the last six months.

## About Trelleborg

Trelleborg is a world leader in engineered polymer solutions. We seal, damp and protect critical applications in demanding environments. Our innovative solutions accelerate performance for customers in a sustainable way.

### Business concept

We seal, damp and protect in demanding industrial environments throughout the world. Our customers can rely on engineered solutions based on leading polymer technology and unique applications know-how.

### Main strategies

**Growth.** Trelleborg strives to move from mature to more profitable and fast-growing segments. A rapid change was also implemented geographically with robust establishments in China, India and the rest of Asia, as well as South America with a focus on Brazil.

**Development and innovation.** With our customer-focused development and service, we are consistently moving toward increasingly customized polymer solutions with a higher technology and knowledge content, that also satisfy society's demands for sustainability.

**Excellence.** We are systematically and continuously improving our

primary operational, commercial and financial processes with the customer's interests in mind, with the purpose of eliminating waste and unnecessary activities, so that sales growth can immediately leverage profitability.

### Basis for value generation

**Polymer engineering.** For more than a century, and into the future, we pioneer applied polymer-engineering and materials technology in our chosen sectors.

**Local presence, global reach.** Our local teams leverage our global strength and capabilities when needed, acting as a local partner wherever we conduct business.

**Application expertise.** We have leading-edge technology and in-depth understanding of the challenges our customers must overcome to seal, damp and protect critical applications.

**Customer integration.** Having close integration with markets and customers through multiple channels and excellence across touchpoints, we make it easy to do business with us.

**Business accelerator.** Working as a proactive and long-term business partner, we deliver solutions based on market foresight to contribute to better business.

### Trelleborg's market segments:

Market segment	Group total	Trelleborg Coated Systems	Trelleborg Industrial Solutions	Trelleborg Offshore & Construction	Trelleborg Sealing Solutions	Trelleborg Wheel Systems
Capital-intensive industry	49%					
- Offshore oil & gas	11%			60%	2%	
- Transportation equipment	12%		10%		11%	37%
- Agriculture	13%				3%	63%
- Infrastructure construction	9%		11%	40%		
- Aerospace	4%				13%	
General industry	40%	100%	69%		46%	
Light vehicles	11%		10%		25%	

Net sales per market segment 2012

## The Trelleborg Group's operations

### Continuing operations

Refers to operations within Trelleborg's five business areas: Trelleborg Coated Systems, Trelleborg Industrial Solutions, Trelleborg Offshore & Construction, Trelleborg Sealing Solutions and Trelleborg Wheel Systems. It also includes Group items defined as central staff functions and two operations, the first of which is Group-wide and the second of which is in the build-up and integration phase.

### TrelleborgVibracoustic

In July 2012, Trelleborg and Freudenberg formed a 50/50 joint venture in antivibration solutions for light and heavy vehicles, TrelleborgVibracoustic. The company is reported as an associated company in the financial accounts and recognized in accordance with the equity method, see page 25 for further information.

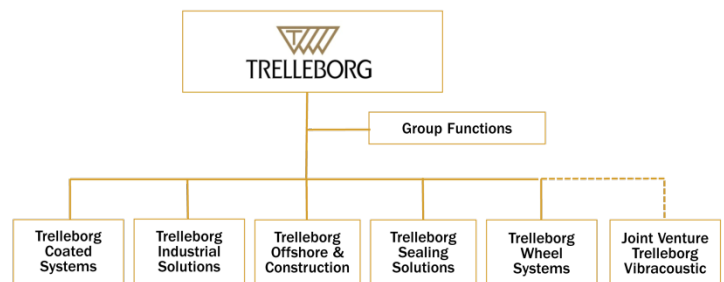
### Discontinued operations

Refer generally to operations that are discontinuing or will be discontinued. For 2012, discontinued operations primarily relate to

operations within Trelleborg Automotive, now part of TrelleborgVibracoustic, a protective products operation and a French light-vehicle component operation.

### Group in total

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



## Invitation to presentation and telephone conference on October 23 at 10:30 a.m. CET

A presentation and telephone conference will be held on October 23 at 10:30 a.m. CET. The presentation will be held at Operaterrassen, Stockholm, Sweden. To participate in the telephone conference, call +46 8 5199 9355 (Sweden), +44 20 3364 5372 (U.K.) or +1 85 57 16 1596 (U.S.). Code: "Trelleborg". The conference will also be broadcast on the Internet in real time. Visit our website at: [www.trelleborg.com/en/Investors/Presentations](http://www.trelleborg.com/en/Investors/Presentations) for the Internet link and presentation materials.

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## Financial calendar 2014

Year-end report 2013	February 13
Interim report January-March 2014	April 23
Annual General Meeting 2014 (Trelleborg)	April 23
Capital Markets Day (Stockholm)	June 4
Interim report April-June 2014	July 22
Interim report July-September 2014	October 22

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For information about the Trelleborg Group, Annual Reports, the stakeholder magazine *T-TIME* and other information, please visit the Group's website: [www.trelleborg.com](http://www.trelleborg.com) or download "Trelleborg IR" from the App Store or Google Play.



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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 Wednesday, October 23, 2013, at 07:45 a.m. CET.**