

Stable earnings in a challenging environment

Continuing operations

- Net sales for the third quarter of 2014 increased by 6 percent (7) and totaled SEK 5,614 M (5,306). Organic sales declined by 2 percent (increase: 6). Effects of structural changes contributed 2 percent (pos: 3) while the effects of exchange-rate movements were a positive 6 percent (neg: 2).
- Operating profit, excluding the participation in TrelleborgVibracoustic and items affecting comparability, rose 6 percent to SEK 730 M (688), equivalent to an operating margin of 13.0 percent (13.0).
- Items affecting comparability for the quarter amounted to an expense of SEK 41 M (expense: 101), which was fully attributable to previously announced restructuring programs.
- Operating profit in the quarter for TrelleborgVibracoustic, excluding items affecting comparability, rose 26 percent to EUR 39 M (31). This corresponded to an operating margin of 8.8 percent (7.4).
- Trelleborg's participation in TrelleborgVibracoustic amounted to SEK 155 M before tax (25). The participation includes items affecting comparability amounting to an expense of SEK 20 M (expense: 109) and is in line with communicated full-year levels.
- Earnings per share rose 54 percent to SEK 2.15 (1.40).
- Operating cash flow amounted to SEK 899 M (763), including a dividend of SEK 131 M from TrelleborgVibracoustic.

SEK M	Q3 2014	Q3 2013	Change, %	9M 2014	9M 2013	Change, %
Net sales	5,614	5,306	6	16,933	16,328	4
Organic sales, %	-2	6		0	1	
Operating profit excl. participation in TrelleborgVibracoustic and items affecting comparability	730	688	6	2,311	2,050	13
Operating margin, %	13.0	13.0		13.6	12.6	
Profit share in TrelleborgVibracoustic	155	25	520	330	232	42
Items affecting comparability	-41	-101		-158	-342	
Operating profit	844	612	38	2,483	1,940	28
Profit before tax	810	531	53	2,382	1,785	33
Net profit	583	382	53	1,736	1,258	38
Earnings per share, SEK	2.15	1.40	54	6.39	4.62	38
Earnings per share, total Group, SEK	2.11	1.40	51	6.35	4.62	37
Operating cash flow	899	763	18	1,805	1,295	39

“Stable earnings in a challenging environment”

“Trelleborg posted stable operating profit and retained its operating margin at the same high level as during the strong third quarter of 2013. Net sales increased by 6 percent compared with the year-earlier period, and acquisitions contributed to 2 percent. We achieved these healthy earnings despite weaker market trends for several market segments and thus a slight fall-off in organic growth.

“The third quarter was characterized by major variations among the market segments in terms of demand for our products and solutions. The common feature was however that we maintained our intense focus on cost control, cash flow and value-generating measures in a more challenging market. We once again proved the strength of our business model.

“The market outlook is affected by an increasing uncertainty, particularly in Europe. Our overall assessment is however that demand for the fourth quarter will be on par with the third quarter. As before, we are carefully monitoring the economic developments and we are continuing to maintain high preparedness to address fluctuating market conditions.”

*Peter Nilsson,
President and CEO*

Market outlook for the fourth quarter of 2014

Demand is expected to be on a par with the third quarter of 2014, adjusted for seasonal variations.

Market outlook from the interim report published on July 22, 2014, relating to the third quarter of 2014

Demand is expected to be on a par with the second quarter of 2014, adjusted for seasonal variations.

Third quarter 2014

Net sales

SEK M, growth, %	Q3 2014	Q3 2013	9M 2014	9M 2013
Net sales	5,614	5,306	16,933	16,328
Change total, %	6	7	4	0
Organic sales, %	-2	6	0	1
Structural change, %	2	3	1	3
Currency effects, %	6	-2	3	-4

Net sales for the third quarter of 2014 rose 6 percent (7) compared with the year-earlier period and amounted to SEK 5,614 M (5,306).

Trelleborg Sealing Solutions reported a positive sales trend, while other business areas noted a negative trend. Organic sales in Western Europe declined by 9 percent, generally impacted by slightly weaker market conditions and accentuated by a weak OEM market for agricultural tires and

delays of project deliveries. The organic sales trend in the rest of Europe was negative 4 percent. Organic sales increased in North America by about 8 percent at the same time as South America noted a strongly positive trend and rose 32 percent as a result of a healthy level of project deliveries. In Asia and other markets, organic sales increased by 2 percent, due to such factors as a favorable trend in China, South Korea and India.

Result

SEK M	Q3 2014	Q3 2013	Change, %	9M 2014	9M 2013	Change, %
Operating profit excl. participation in TrelleborgVibracoustic and items affecting comparability	730	688	6	2,311	2,050	13
Operating margin, %	13.0	13.0		13.6	12.6	
Items affecting comparability	-41	-101		-158	-187	
One off items	-	-		-	-155	
Total items affecting comparability	-41	-101		-158	-342	
Profit share in TrelleborgVibracoustic	155	25	520	330	232	42
Operating profit	844	612	38	2,483	1,940	28
Financial income and expenses	-34	-81	58	-101	-155	35
Profit before tax	810	531	53	2,382	1,785	33
Taxes	-227	-149	-52	-646	-527	-23
Net profit	583	382	53	1,736	1,258	38

Operating profit excluding the participation in TrelleborgVibracoustic and items affecting comparability amounted to SEK 730 M (688), representing a year-on-year increase of 6 percent. Exchange-rate effects upon the translation of foreign subsidiaries had a positive impact of SEK 45 M (neg: 16) on earnings compared with the year-earlier period. Continued improved cost efficiency offset lower volumes. Acquired operations made a positive contribution to the earnings trend. The operating margin was on par with the year-earlier period at 13.0 percent (13.0). The operating margin improved for the Trelleborg Coated Systems and Trelleborg Sealing Solutions business areas, but weakened in the other three business areas compared with the year-earlier period.

The quarter was charged with items affecting comparability amounting to an expense of SEK 41 M (expense: 101), which was entirely attributable to the previously communicated restructuring programs.

Trelleborg's participation in TrelleborgVibracoustic is

included in operating profit in accordance with the equity method. The participation, including items affecting comparability amounting to an expense of SEK 20 M (expense: 109), totaled SEK 155 M before tax (25). The items affecting comparability were attributable to the previously communicated restructuring projects and are in line with communicated full-year levels.

Operating profit for the quarter, including the participation in TrelleborgVibracoustic and items affecting comparability, amounted to SEK 844 M (612), representing an increase of 38 percent.

Net financial expense was SEK 34 M (expense: 81). Net financial items for the preceding year 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 average rate of interest amounted to 2.2 percent (2.9 excluding non-recurring items).

Net profit was SEK 583 M (382). Excluding TrelleborgVibracoustic, the tax rate was 28 percent (27).

Operating cash flow

SEK M	Q3 2014	Q3 2013	Change, %	9M 2014	9M 2013	Change, %
EBITDA, operating profit before depreciation	907	853	6	2,824	2,550	11
Capital expenditure	-246	-204	-21	-590	-561	-5
Sold non-current assets	5	4	25	7	8	-13
Change in working capital	106	112	-5	-564	-699	19
Dividend from joint venture / associated companies	131	0		132	1	
Non cash-flow affecting items	-4	-2		-4	-4	
Operating cash flow	899	763	18	1,805	1,295	39
Cash impact from items affecting comparability	-56	-223		-139	-294	
Dividend - non-controlling interest	-2	-		-2	0	
Financial items	-21	-68		-89	-185	
Paid tax	-183	-110		-430	-381	
Free cash flow	637	362	76	1,145	435	163
Acquisitions	-381	-32		-616	-205	
Discontinued operations	21	14		21	14	
Dividend - equity holders of the parent company	-	-		-881	-813	
Sum net cash flow	277	344	-19	-331	-569	42

During the quarter, a dividend of SEK 131 M was received from TrelleborgVibracoustic. Excluding this dividend, the operating cash flow was on a par with the year-earlier period and amounted to SEK 768 M (763). The improved operating profit offset the slightly higher investment level during the period. At the end of the period, working capital in relation to net sales amounted to 16.6 percent (15.9), impacted by a

weaker Swedish currency. All business areas reported satisfactory cash flows for the quarter. The rolling 12-month cash conversion ratio was 88 percent (96).

Free cash flow for the quarter was higher year-on-year and amounted to SEK 637 M (362), impacted by such factors as lower cash outflow in ongoing restructuring programs.

Net debt

Change in net debt, SEK M	9M 2014	9M 2013	12M 2013
Net debt, opening balance	-5,637	-5,360	-5,360
Net cash flow for the period	-331	-569	-101
Exchange rate differences	-296	-60	-176
Net debt, closing balance	-6,264	-5,989	-5,637
Debt/equity ratio, %	38	42	38
Net Debt/EBITDA excl items affecting comparability	1.6	1.7	1.5
Net Debt/EBITDA, Total Group	1.7	2.0	1.7

Net debt rose SEK 627 M during the year. In the third quarter, net debt declined by SEK 163 M, positively impacted by net cash flow and negatively affected by exchange-rate differences. The debt/equity ratio was 38 percent (42).

Net debt in relation to EBITDA, excluding items affecting comparability, was 1.6 (1.7). Net debt in relation to EBITDA for the Group in total was 1.7 (2.0).

Return on capital employed

%	R12 2014	R12 2013	12M 2013
Return on capital employed excl items affecting comparability ¹⁾	15.9	14.7	15.2
Return on capital employed incl items affecting comparability ¹⁾	14.7	12.0	12.9

¹⁾ Excluding participation in TrelleborgVibracoustic.

Capital employed, excluding the participation in TrelleborgVibracoustic, increased year-on-year to SEK 19,307 M (17,136), partly affected by the weaker SEK. The positive

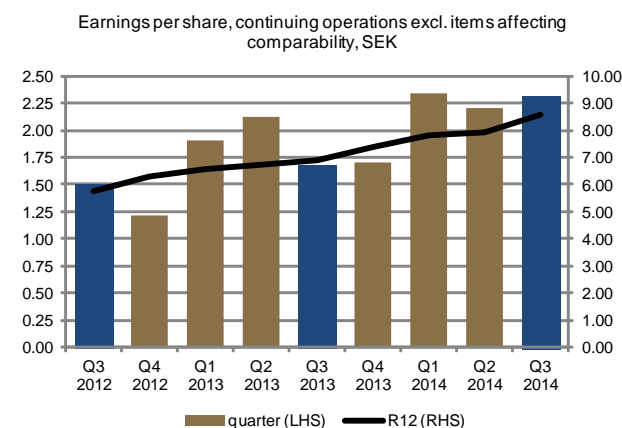
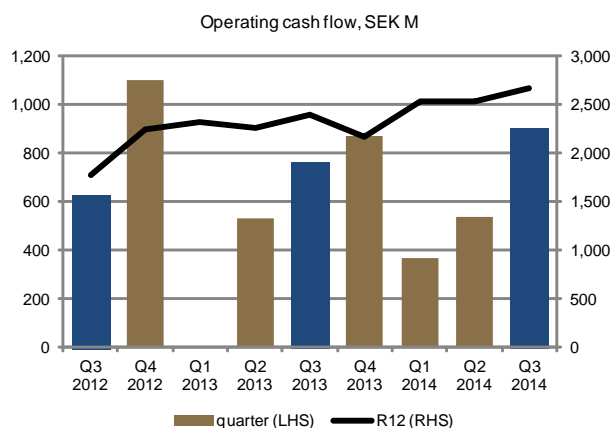
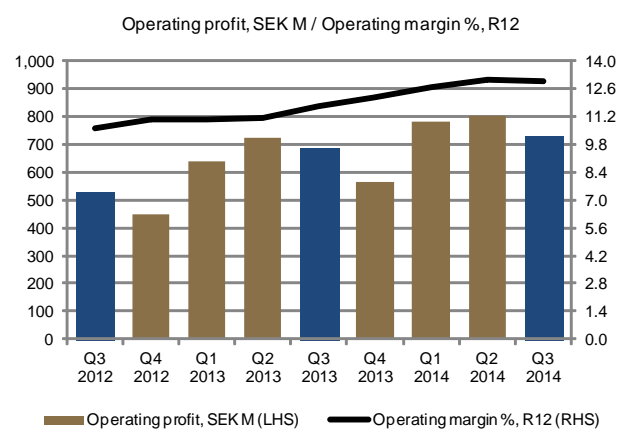
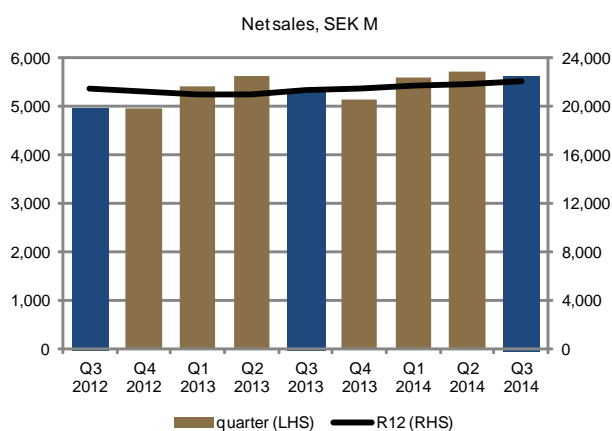
earnings impacted the return on capital employed excluding items affecting comparability, which increased to 15.9 percent (14.7).

Return on equity

%	R12 2014	R12 2013	12M 2013
Return on equity excl items affecting comparability	15.0	13.4	13.9
Return on equity incl items affecting comparability	13.8	10.7	11.4
Total Group	13.5	10.8	11.2

Shareholders' equity for the Group at the close of the period amounted to SEK 16,599 M (14,238), excluding non-controlling interests. Equity per share amounted to SEK 61 (53).

The equity/asset ratio was 54 percent (52). The return on shareholders' equity was 13.5 percent (10.8).



January-September 2014

Net sales for the first nine months of 2014 totaled SEK 16,933 M (16,328), up 4 percent year-on-year.

Operating profit for the first nine months of 2014 amounted to SEK 2,483 M (1,940).

Net financial expense was SEK 101 M (expense: 155), corresponding to an average interest rate of 2.2 percent (2.7 excluding non-recurring items).

Profit before tax totaled SEK 2,382 M (1,785).

Net profit amounted to SEK 1,736 M (1,258). The net loss from discontinued operations was SEK 10 M (-).

Total earnings per share for the Group were SEK 6.35 (4.62).

Significant events during the quarter

Press releases

Acquisition of industrial hose company. Trelleborg Industrial Solutions finalized the acquisition of Superlas Group. The company develops and manufactures industrial hoses for a range of industries, such as construction and civil engineering, processing, industrial cleaning and tanker transportation.

The acquisition is not considered to have a material impact on the Group's sales and earnings. The business was consolidated on July 1, 2014.

Press releases were published on April 23 and on July 2, 2014.

Acquisition of coated fabrics businesses. Trelleborg Coated Systems signed an agreement to acquire assets and operations from Uretek Archer LLC Group comprising Uretek LLC and Archer Rubber Company LLC. The companies develop and manufacture urethane-coated fabrics and rubber-coated fabrics, respectively. Their products and solutions are used across multiple segments, such as aerospace, healthcare, outdoor recreation, government and defense.

The businesses have manufacturing facilities in New Haven, Connecticut, and Milford, Massachusetts, respectively, in the US. Sales mainly take place in North America and amounted to about SEK 480 M in 2013.

The transaction is expected to be finalized in the fourth quarter of 2014.

A press release was published on August 1, 2014.

New General Counsel. Charlotta Grähs has been appointed the new General Counsel for the Trelleborg Group from October 1, 2014. She succeeds Ulf Gradén who is retiring.

A press release was published on August 27, 2014.

Nomination Committee. At Trelleborg AB's Annual General Meeting on April 23, 2014, the Chairman of the Board was assigned the task of asking the five largest shareholders in the Company to appoint one member each to the Nomination Committee, which will prepare proposals regarding Board members to be presented to the 2015 Annual General Meeting for resolution.

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

Rolf Kjellman, Dunkers Interests
Tomas Risbecker, AMF Insurance & AMF Funds
Henrik Didner, Didner & Gerge Funds
Peter Rönström, Lannebo Funds
Johan Strandberg, SEB Funds

The Annual General Meeting will be held in Trelleborg, Sweden, on April 23, 2015, 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 or directly to the Chairman of the Board Sören Mellstig or any of the above mentioned members of the Nomination Committee.

A press release was published on September 3, 2014.

Divestment of rubber boots operation. Trelleborg Industrial Solutions signed an agreement and finalized the divestment of a Spanish facility that manufactures rubber boots for light vehicles. The buyer is the French Group Delmon Industrie S.A.

Sales from the operation in 2013 amounted to approximately SEK 150 M. The transaction will have only a negligible impact on the Group's earnings.

Press releases were published on September 11 and September 30, 2014.

Significant events after the close of the period

Other

Trelleborg Industrial Solutions utilized an option from 2011 to acquire the remaining approximately 40 percent of the shares in the French company Bloch S.A., which is active in the area of high-performance industrial hoses.

The business was already fully consolidated.

A press release regarding the acquisition was published on July 15, 2011.

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 as well as a basis for decisions on how to handle and follow up risk management. The principal risks and uncertainties

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

For further information regarding the Group's risks, risk exposure and risk management, refer to the Trelleborg Annual Report and 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, 2014

New and amended standards are not expected to materially impact the Group's or Parent Company's earnings or financial position.

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

Trelleborg October 22, 2014
Board of Directors of Trelleborg AB (publ)

Review report

Introduction

We have reviewed the condensed interim financial information (interim report) of Trelleborg AB (publ) as of 30 September 2014 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information 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 International Standard on Review Engagements ISRE 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, 22 October 2014

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 2014	Q3 2013	Change, %	9M 2014	9M 2013	Change, %
Net sales	442	435	2	1,390	1,375	1
Change total, %	2	9		1	3	
Organic sales, %	-3	12		-1	7	
Structural change, %	-	-		-	-	
Currency effects, %	5	-3		2	-4	
Operating profit	43	30	43	164	142	15
Operating margin, %	9.7	6.7		11.8	10.3	

Additional key ratios on pages 19 - 20

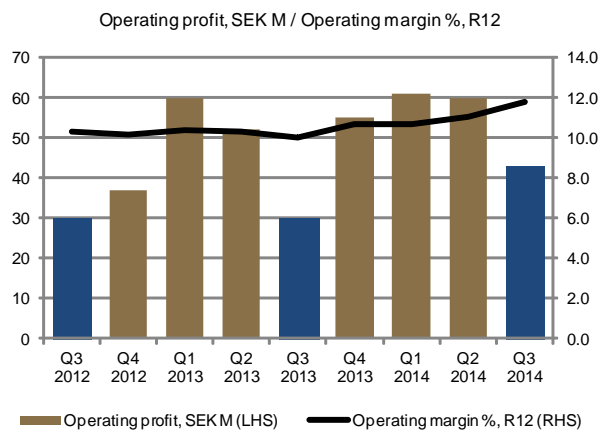
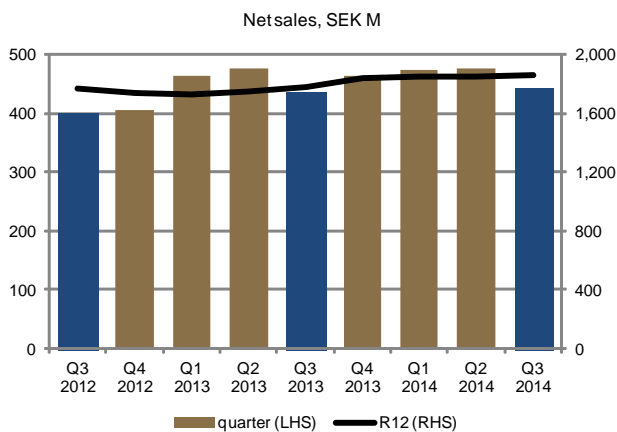
Organic sales for the quarter declined 3 percent year-on-year. The trend for coated fabrics was slightly weaker, with declining sales in Europe partly offset by a slight improvement in North America and strong growth in Asia. Sales were primarily driven by deliveries to the transportation industry, but were hampered by weaker market conditions in general industry in Europe.

Printing blankets demonstrated somewhat weaker organic sales, with Europe and Asia noting growth, while the trend in market conditions in North and South America was less favorable. The business area's ongoing changes to the North American distribution model resulted in lower sales. The new business model aims however to improve the market

position in the long term.

The ongoing efficiency-enhancement measures in both Europe and North America positively impacted operating profit. More stable production from the solventless roller head line for printing blankets in Italy also contributed to the improvement in the operating margin. Exchange-rate effects from the translation of foreign subsidiaries had only a marginally positive impact on operating profit.

During the quarter, the business area signed an agreement to acquire coated fabrics operations; refer to page 6.





Trelleborg Industrial Solutions is a leading supplier of polymer-based critical solutions in such industrial application areas as hose systems, industrial antivibration solutions and selected industrial sealing systems.

Excluding items affecting comparability, SEK M	Q3 2014	Q3 2013	Change, %	9M 2014	9M 2013	Change, %
Net sales	1,262	1,127	12	3,665	3,458	6
Change total, %	12	5		6	-2	
Organic sales, %	-4	5		-2	0	
Structural change, %	11	-		4	-	
Currency effects, %	5	0		4	-2	
Operating profit	136	123	11	388	336	15
Operating margin, %	10.8	10.9		10.6	9.7	

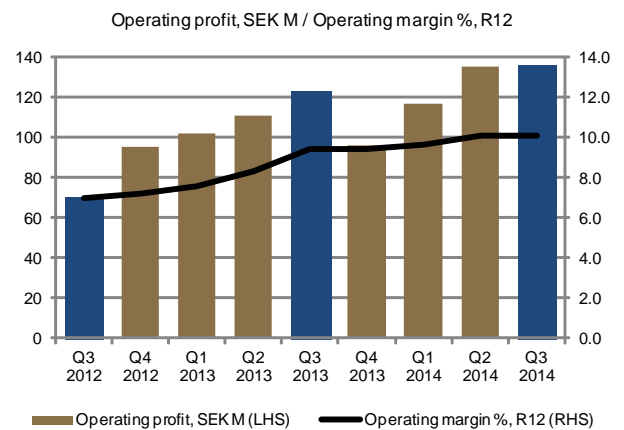
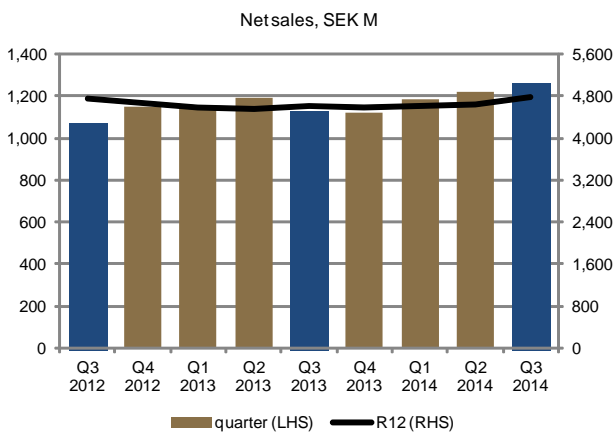
Additional key ratios on pages 19 - 20

Organic sales for the quarter declined 4 percent year-on-year. The sales trends for the market segments were mixed, with fewer project deliveries in general industry comprising the main reason for the lower organic sales. A lower organic trend was noted for European sales, although this was partly offset by improved sales in both North America and large parts of other markets. Sales were positively affected by acquisitions made during the current year.

Operating profit improved compared with the year-earlier period, due primarily to enhanced market positions, effective cost control and the continued positive effect of previously

communicated restructuring programs. Recently completed acquisitions also contributed positively to the earnings trend. Exchange-rate effects from the translation of foreign subsidiaries had a marginal positive impact on operating profit. The operating margin was on a par with the year-earlier period.

During the quarter, the business area completed the acquisition of a company that develops and manufactures industrial hoses and finalized the divestment of a facility that manufactures rubber boots for light vehicles; refer to page 6.





Trelleborg BUSINESS AREA Offshore & Construction

Trelleborg Offshore & Construction is a leading global project supplier of polymer-based critical solutions deployed in highly demanding offshore oil & gas and infrastructure construction environments.

Excluding items affecting comparability, SEK M	Q3 2014	Q3 2013	Change, %	9M 2014	9M 2013	Change, %
Net sales	917	913	0	2,743	2,747	0
Change total, %	0	2		0	1	
Organic sales, %	-7	3		-3	2	
Structural change, %	-	4		0	4	
Currency effects, %	7	-5		3	-5	
Operating profit	71	76	-7	228	204	12
Operating margin, %	7.7	8.3		8.3	7.4	

Additional key ratios on pages 19 - 20

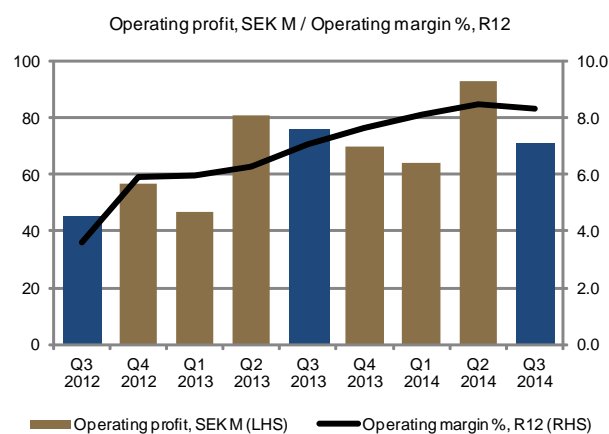
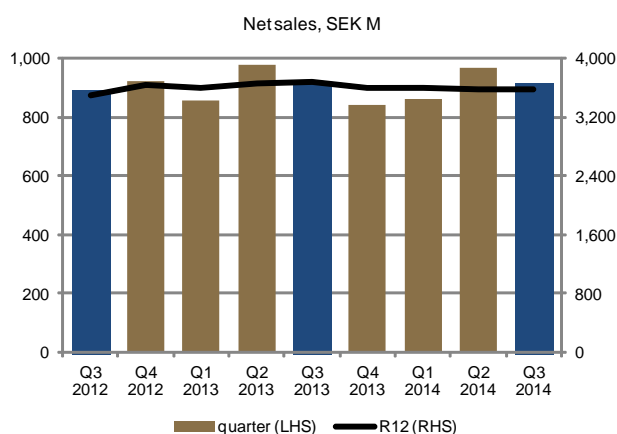
Organic sales for the quarter fell 7 percent year-on-year. The sales trend was impacted by fewer and deferred project deliveries in the offshore oil/gas market segment during the quarter. In comparison, the level of project deliveries was exceptionally good in the year-earlier period. The organic performance of infrastructure-related sales was favorable, particularly in marine projects.

During the quarter, the significantly lower market price for crude oil increased uncertainty and, in the short term, prompted a generally more negative future outlook for offshore oil/gas. However, the business area has greater exposure to sub-segments in offshore oil/gas, which are considered to have more stable development. Although uncertainty has increased, market activity in the business area remains

favorable, and the order book was at a historically high level.

Operating profit declined compared with the year-earlier period, due mainly to fewer project deliveries. An enhanced cost efficiency and a positive exchange-rate effect from the translation of foreign subsidiaries partly offset the lower number of project transactions. The operating margin declined slightly year-on-year.

The business area secured a number of delivery contracts in both offshore oil/gas and infrastructure, for example, for foam buoyancy systems for an oil field off the coast of [Azerbaijan](#), fender systems for a container terminal in the [U.K.](#) and solutions to anchor heavy sections, known as floatover technology, for offshore platforms in [Myanmar](#).





Trelleborg Sealing Solutions is a leading global supplier of polymer-based critical sealing solutions deployed in demanding general industry, light vehicle and aerospace environments.

Excluding items affecting comparability, SEK M	Q3 2014	Q3 2013	Change, %	9M 2014	9M 2013	Change, %
Net sales	1,930	1,787	8	5,806	5,370	8
Change total, %	8	5		8	-4	
Organic sales, %	2	6		5	-1	
Structural change, %	-	-		-	-	
Currency effects, %	6	-1		3	-3	
Operating profit	433	386	12	1,323	1,154	15
Operating margin, %	22.4	21.6		22.8	21.5	

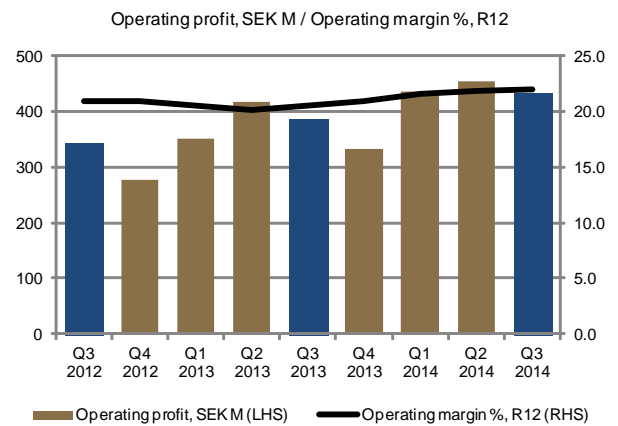
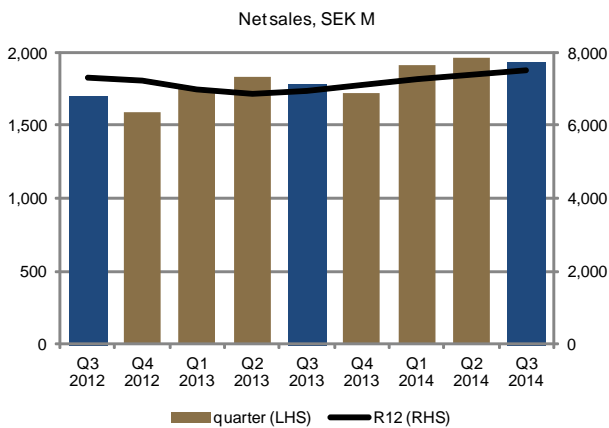
Additional key ratios on pages 19 - 20

Organic sales for the quarter increased 2 percent year-on-year. Organic sales in Europe declined slightly, while healthy growth was noted for sales to North America and Asia in the majority of market segments. Organic sales were primarily driven by a favorable trend in both the automotive and aerospace industries, but organic sales were also affected by a slight downward trend in sales to general industry in Europe.

Operating profit and the corresponding margin increased compared with the corresponding period in 2013, mainly due to

higher sales and effective cost control. Exchange-rate effects from the translation of foreign subsidiaries had a positive impact of SEK 24 M on operating profit compared with the year-earlier period.

The business area's rate of innovation and development is high and, for example, a new generation of [seals](#) that can cope with extremely low temperatures in aircraft engines was launched during the period.





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 2014	Q3 2013	Change, %	9M 2014	9M 2013	Change, %
Net sales	1,008	1,010	0	3,191	3,230	-1
Change total, %	0	19		-1	7	
Organic sales, %	-6	4		-5	-2	
Structural change, %	0	16		1	13	
Currency effects, %	6	-1		3	-4	
Operating profit	106	117	-9	401	398	1
Operating margin, %	10.6	11.5		12.6	12.3	

Additional key ratios on pages 19 - 20

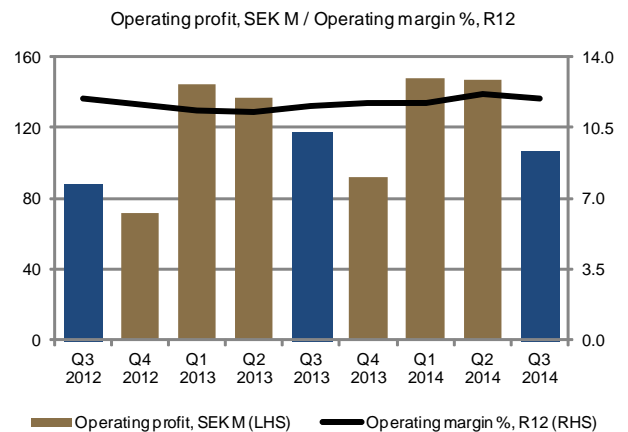
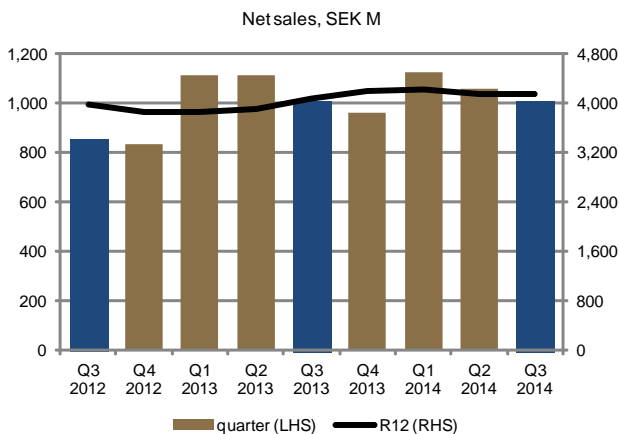
Organic sales for the quarter declined 6 percent year-on-year. Agricultural tire sales were impacted by a severe deterioration in market conditions for agricultural tires to OEMs. Aftermarket sales rose slightly, despite a weaker underlying market. The business area continued to capture market shares in the sub-segment for extra-large agricultural tires.

European sales of tires for materials handling vehicles performed positively during the quarter. The North American market also noted improved sales, while sales to South America were unchanged.

Operating profit and margin declined slightly year-on-year due to the weak demand. However, earnings were

maintained at a satisfactory level, despite the prevailing market conditions, due to effective cost management and sustained price discipline. Exchange-rate effects from the translation of foreign subsidiaries had a marginal positive impact on operating profit.

The development of products and solutions for more sustainable agriculture is continuing and the business area presented [research findings](#) on the correlation between the size of agricultural tires and productivity of arable land. In addition, the launch of the tire and wheel service operation, Interfit, continued in several markets.



Joint venture



TrelleborgVibracoustic

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.

Note that EUR is the reporting currency of the joint venture.

Excluding items affecting comparability, EUR M	Q3 2014	Q3 2013	Change, %	9M 2014	9M 2013	Change, %
Net sales	438	425	3	1,329	1,294	3
Change total, %	3	6		3	5	
Organic sales, %	2	9		5	5	
Structural change, %	0	0		0	1	
Currency effects, %	1	-3		-2	-1	
Operating profit	39	31	26	117	90	30
Operating, margin %	8.8	7.4		8.8	7.0	

Organic sales for the quarter increased 2 percent year-on-year. All geographic regions, except for South America, contributed positively to the sales trend. Sales to the Brazilian market fell sharply in line with the underlying market. As a comparison, global automotive production is estimated to have increased by 3 percent during the quarter. A contributory factor to TrelleborgVibracoustic's deviation in relation to global automotive production was the relatively large exposure to Europe, where automotive production was estimated to be slightly weaker during the quarter, and a conscious shift in the mix toward more attractive platforms.

Operating profit increased year-on-year, mainly due to higher volumes and efficient cost control. However, earnings

were negatively impacted by the significant deterioration in the market trend in Brazil. The operating margin was 8.8 percent (7.4). Cash flow was stable and was based on satisfactory earnings result and effective management of working capital. Exchange-rate effects from the translation of foreign subsidiaries did not have a material impact on operating profit compared with the year-earlier period.

During the quarter, a dividend of EUR 29 M was paid to the owners, half of which was received by Trelleborg. The implementation of previously communicated action programs aimed at creating a better structure is progressing according to schedule. The expansion of manufacturing capacity in China, Thailand and Rumania is continuing in line with plans.

Other key figures

MEUR	9M 2014	9M 2013	R12 2014	12M 2013
EBITDA	161	130	211	180
Operating cashflow	84	60	121	97
Capital employed, closing balance	477	450		445
Net debt, closing balance	58	126		73
Equity, closing balance	414	321		364
Debt/equity ratio, %	14	39		20
Net Debt/EBITDA	0.3	0.8		0.4

Trelleborg's participation in TrelleborgVibracoustic

TrelleborgVibracoustic is reported as a joint venture in Trelleborg's financial accounts and is recognized according to the equity method. Trelleborg's participation is recognized on two lines of Trelleborg's income statement: profit before tax and tax.

SEK M	Q3 2014	Q3 2013	Change, %	9M 2014	9M 2013	Change, %
<i>Operating profit EUR M, see page 14</i>	39	31	26	117	90	30
Operating profit excl items affecting comparability	354	272	30	1,053	773	36
Acquisition related costs	-6	-15		-29	-33	
Amortization of intangible assets ¹⁾	-15	-9		-42	-28	
Restructuring items	-19	-193		-275	-200	
Total items affecting comparability	-40	-217		-346	-261	
Operating profit	314	55	471	707	512	38
Financial income and expenses	-2	-6		-46	-49	
Profit before tax	312	49	537	661	463	43
<i>Trelleborg share</i>	155	25		330	232	
Tax	-89	-25	256	-207	-151	37
<i>Trelleborg share</i>	-45	-13		-104	-76	
Net profit	223	24	829	454	312	46
<i>Trelleborg share</i>	110	12		226	156	

¹⁾ Related to split of acquisition balance.

The participation in profit before tax and including items affecting comparability amounted to SEK 155 M (25). Of the total amount of items affecting comparability totaling an expense of SEK 40 M, half – meaning an expense of SEK 20 M – impacted the participation in profit. Restructuring costs totaling an expense of SEK 19 M (expense: 193) were in line with communicated full-year levels.

The reported tax rate was just under 29 percent. The underlying tax rate for the quarter is expected to remain at approximately this level for the current year.

Financial statements

Income Statements

SEK M	Q3 2014	Q3 2013	9M 2014	9M 2013	R12 2014	12M 2013
Net sales	5,614	5,306	16,933	16,328	22,078	21,473
Cost of goods sold	-3,619	-3,492	-10,874	-10,809	-14,232	-14,167
Gross profit	1,995	1,814	6,059	5,519	7,846	7,306
Selling expenses	-573	-522	-1,693	-1,578	-2,227	-2,112
Administrative expenses	-640	-559	-1,888	-1,738	-2,505	-2,355
Research and development costs	-80	-75	-248	-225	-332	-309
Other operating income/expenses	27	30	79	71	89	81
Profit from TrelleborgVibracoustic	155	25	330	232	453	355
Profit from associated companies	1	0	2	1	3	2
Items affecting comparability	-41	-101	-158	-342	-226	-410
Operating profit	844	612	2,483	1,940	3,101	2,558
Financial income and expenses	-34	-81	-101	-155	-143	-197
Profit before tax	810	531	2,382	1,785	2,958	2,361
Tax	-182	-136	-542	-451	-678	-587
Tax related to TrelleborgVibracoustic	-45	-13	-104	-76	-146	-118
Total tax	-227	-149	-646	-527	-824	-705
Net profit in continuing operations	583	382	1,736	1,258	2,134	1,656
Net profit in discontinuing operations	-10	-	-10	-	-49	-39
Total net profit	573	382	1,726	1,258	2,085	1,617
- equity holders of the parent company	571	380	1,720	1,253	2,076	1,609
- non-controlling interest	2	2	6	5	9	8
Earnings per share, SEK	Q3 2014	Q3 2013	9M 2014	9M 2013	R12 2014	12M 2013
Continuing operations	2.15	1.40	6.39	4.62	7.85	6.08
Discontinued operations	-0.04	0.00	-0.04	0.00	-0.19	-0.15
Group, total	2.11	1.40	6.35	4.62	7.66	5.93
Continuing operations, excluding items affecting comparability	2.31	1.67	6.85	5.69	8.56	7.40
Number of shares						
End of period	271,071,783	271,071,783	271,071,783	271,071,783	271,071,783	271,071,783
Average number	271,071,783	271,071,783	271,071,783	271,071,783	271,071,783	271,071,783

Statements of comprehensive income

SEK M	Q3 2014	Q3 2013	9M 2014	9M 2013	R12 2014	12M 2013
Total net profit	573	382	1,726	1,258	2,085	1,617
Other comprehensive income						
Items that will not be reclassified to the income statement						
Actuarial gains and losses	0	14	-23	38	-42	19
	0	14	-23	38	-42	19
Items that may be reclassified to the income statement						
Cash flow hedges	-21	15	-68	55	-58	65
Hedging of net investment	-198	172	-595	55	-843	-193
Translation difference	441	-408	1,352	-321	1,794	121
Income tax relating to components of other comprehensive income	48	-30	136	-6	191	49
Other comprehensive income relating to TrelleborgVibracoustic	67	-	127	-	127	-
	337	-251	952	-217	1,211	42
Other comprehensive income, net of tax	337	-237	929	-179	1,169	61
Total comprehensive income	910	145	2,655	1,079	3,254	1,678

Balance Sheets

Group	Sep 30	Sep 30	Dec 31
SEK M	2014	2013	2013
Property, plant and equipment	5,630	4,872	5,141
Intangible assets	10,111	8,978	9,173
Shares in TrelleborgVibracoustic and associated companies	3,357	3,026	3,122
Other financial assets	901	973	869
Total non-current assets	19,999	17,849	18,305
Inventories	3,566	3,182	3,188
Current operating receivables	5,762	5,275	4,658
Current interest-bearing receivables	168	428	244
Cash and cash equivalents	1,144	824	893
Total current assets	10,640	9,709	8,983
Total assets	30,639	27,558	27,288
Equity holders of the parent company	16,599	14,238	14,833
Non-controlling interest	50	40	44
Total equity	16,649	14,278	14,877
Non-current interest-bearing liabilities	3,221	5,156	4,874
Other non-current liabilities	1,012	937	935
Total non-current liabilities	4,233	6,093	5,809
Interest-bearing current liabilities	4,487	2,306	2,023
Other current liabilities	5,270	4,881	4,579
Total current liabilities	9,757	7,187	6,602
Total equity and liabilities	30,639	27,558	27,288

Specification of changes in equity	Sep 30	Sep 30	Dec 31
SEK M	2014	2013	2013
<i>Attributable to equity holders of the parent company</i>			
Opening balance, January 1	14,833	13,977	13,977
Total comprehensive income	2,647	1,074	1,669
Dividend	-881	-813	-813
Closing balance	16,599	14,238	14,833
<i>Attributable to non-controlling interest</i>			
Opening balance, January 1	44	35	35
Total comprehensive income	8	5	9
Dividend	-2	0	0
Closing balance	50	40	44
Sum total equity, closing balance	16,649	14,278	14,877

Cash flow statements

Group, SEK M	Q3 2014	Q3 2013	9M 2014	9M 2013	R12 2014	12M 2013
Operating activities						
Operating profit incl part in associated companies	844	612	2,483	1,940	3,101	2,558
Adjustments for items not included in cash flow:						
Depreciation, property, plant and equipment	156	154	467	462	616	611
Amortization, intangible assets	16	11	41	36	76	71
Impairment losses, property, plant and equipment	5	29	33	31	33	31
Impairment losses, intangible assets	-	-	-	0	0	0
Dividend from joint venture / associated companies	131	0	132	1	132	1
Part in associated companies and other non cash-flow affecting items	-160	-27	-336	-236	-458	-358
Cash-flow effects from items affecting comparability	6	28	6	28	7	29
Operating activities in discontinued operations	-8	-	-8	-	-8	-
Interest received and other financial items	8	4	24	19	37	32
Interest paid and other financial items	-29	-72	-113	-204	-199	-290
Taxes paid	-183	-110	-430	-381	-636	-587
Cash flow from operating activities before changes in working capital	786	629	2,299	1,696	2,701	2,098
Cash flow from changes in working capital:						
Change in inventories	96	98	-113	61	-74	100
Change in operating receivables	389	235	-219	-891	321	-351
Change in operating liabilities	-379	-221	-232	131	-336	27
Change in working capital in discontinued operations	8	-	8	-	8	-
Change in items affecting comparability	-22	-179	-15	-9	-6	0
Cash flow from operating activities	878	562	1,728	988	2,614	1,874
Investing activities						
Acquisitions	-381	-32	-616	-205	-645	-234
Discontinued operations	21	14	21	14	-12	-19
Capital expenditure, property, plant and equipment	-232	-191	-556	-514	-894	-852
Capital expenditure in intangible assets	-14	-13	-34	-47	-57	-70
Sale of non-current assets	5	4	7	8	12	13
Cash flow from investing activities	-601	-218	-1,178	-744	-1,596	-1,162
Financing activities						
Change in interest-bearing investments	-13	179	-242	694	-118	818
Change in interest-bearing liabilities	-239	-339	744	78	218	-448
Dividend - equity holders of the parent company	-	-	-881	-813	-881	-813
Dividend - non-controlling interest	-2	0	-2	0	-2	0
Cash flow from financing activities	-254	-160	-381	-41	-783	-443
Cash flow for the period	23	184	169	203	235	269
Cash and cash equivalents:						
At beginning of the period	1,083	666	893	660	824	660
Exchange rate differences	38	-26	82	-39	85	-36
Cash and cash equivalents at end of period	1,144	824	1,144	824	1,144	893

SEK M	Q3 2014	Q3 2013	9M 2014	9M 2013	R12 2014	12M 2013
Net sales						
Trelleborg Coated Systems	442	435	1,390	1,375	1,854	1,839
Trelleborg Industrial Solutions	1,262	1,127	3,665	3,458	4,785	4,578
Trelleborg Offshore & Construction	917	913	2,743	2,747	3,583	3,587
Trelleborg Sealing Solutions	1,930	1,787	5,806	5,370	7,529	7,093
Trelleborg Wheel Systems	1,008	1,010	3,191	3,230	4,150	4,189
Group items	134	129	410	478	543	611
Eliminations	-79	-95	-272	-330	-366	-424
Total	5,614	5,306	16,933	16,328	22,078	21,473

Operating profit ¹⁾						
Trelleborg Coated Systems	43	30	164	142	219	197
Trelleborg Industrial Solutions	136	123	388	336	484	432
Trelleborg Offshore & Construction	71	76	228	204	298	274
Trelleborg Sealing Solutions	433	386	1,323	1,154	1,655	1,486
Trelleborg Wheel Systems	106	117	401	398	493	490
Group items	-59	-44	-193	-184	-275	-266
Total	730	688	2,311	2,050	2,874	2,613

Operating margin, % ¹⁾						
Trelleborg Coated Systems	9.7	6.7	11.8	10.3	11.8	10.7
Trelleborg Industrial Solutions	10.8	10.9	10.6	9.7	10.1	9.4
Trelleborg Offshore & Construction	7.7	8.3	8.3	7.4	8.3	7.6
Trelleborg Sealing Solutions	22.4	21.6	22.8	21.5	22.0	21.0
Trelleborg Wheel Systems	10.6	11.5	12.6	12.3	11.9	11.7
Total	13.0	13.0	13.6	12.6	13.0	12.2

¹⁾ Excluding items affecting comparability and participation in TrelleborgVibracoustic.

Net sales per market, share and organic growth, %	Q3 2014	Q3 2013	9M 2014	9M 2013
Western Europe (55%)	-9	5	-8	0
Other Europe (6%)	-4	30	8	26
North America (20%)	8	4	7	-5
South and Central America (3%)	32	2	22	0
Asia and other markets (16%)	2	4	9	4
Total (100% refer to share 2013)	-2	6	0	1

Exchange rate differences impacting operating profit ¹⁾, SEK M	Q3 2014	Q3 2013	9M 2014	9M 2013	R12 2014	12M 2013
Trelleborg Coated Systems	3	-1	4	-7	3	-8
Trelleborg Industrial Solutions	7	0	14	-9	14	-9
Trelleborg Offshore & Construction	7	-4	14	-12	12	-14
Trelleborg Sealing Solutions	24	-7	45	-48	37	-56
Trelleborg Wheel Systems	6	-4	9	-21	7	-23
Group items	-2	0	-2	2	0	4
Total	45	-16	84	-95	73	-106

¹⁾ Impact on operating result in translation of foreign subsidiaries. The comparison is done using exchange rates from the year-earlier period. Excluding items affecting comparability and participation in TrelleborgVibracoustic.

TRELLEBORG AB - THIRD QUARTER 2014

SEK M	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net sales									
Trelleborg Coated Systems	442	475	473	464	435	477	463	406	399
Trelleborg Industrial Solutions	1,262	1,222	1,181	1,120	1,127	1,189	1,142	1,147	1,070
Trelleborg Offshore & Construction	917	967	859	840	913	978	856	924	892
Trelleborg Sealing Solutions	1,930	1,961	1,915	1,723	1,787	1,833	1,750	1,592	1,706
Trelleborg Wheel Systems	1,008	1,057	1,126	959	1,010	1,111	1,109	833	852
Group items	134	135	141	133	129	162	187	176	163
Eliminations	-79	-92	-101	-94	-95	-122	-113	-112	-121
Total	5,614	5,725	5,594	5,145	5,306	5,628	5,394	4,966	4,961
Operating profit¹⁾									
Trelleborg Coated Systems	43	60	61	55	30	52	60	37	30
Trelleborg Industrial Solutions	136	135	117	96	123	111	102	95	70
Trelleborg Offshore & Construction	71	93	64	70	76	81	47	57	45
Trelleborg Sealing Solutions	433	454	436	332	386	416	352	277	343
Trelleborg Wheel Systems	106	147	148	92	117	137	144	72	88
Group items	-59	-87	-47	-82	-44	-74	-66	-92	-48
Total	730	802	779	563	688	723	639	446	528
Operating margin, %¹⁾									
Trelleborg Coated Systems	9.7	12.5	13.0	11.8	6.7	11.0	13.0	9.1	7.7
Trelleborg Industrial Solutions	10.8	11.0	9.9	8.5	10.9	9.3	8.9	8.3	6.5
Trelleborg Offshore & Construction	7.7	9.7	7.4	8.4	8.3	8.2	5.5	6.1	5.1
Trelleborg Sealing Solutions	22.4	23.2	22.8	19.3	21.6	22.7	20.1	17.4	20.1
Trelleborg Wheel Systems	10.6	13.9	13.1	9.6	11.5	12.4	13.0	8.6	10.4
Total	13.0	14.0	13.9	11.0	13.0	12.8	11.8	9.0	10.7
Items aff. comparability in operating profit	-41	-99	-18	-68	-101	-204	-37	-129	-12
Profit from part in TrelleborgVibracoustic	155	42	133	123	25	97	110	37	72
Operating profit	844	745	894	618	612	616	712	354	588

¹⁾ Excluding items affecting comparability and participation in TrelleborgVibracoustic.

TRELLEBORG AB - THIRD QUARTER 2014

Income Statements, SEK M	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net sales	5,614	5,725	5,594	5,145	5,306	5,628	5,394	4,966	4,961
Cost of goods sold	-3,619	-3,649	-3,606	-3,358	-3,492	-3,702	-3,615	-3,404	-3,402
Gross profit	1,995	2,076	1,988	1,787	1,814	1,926	1,779	1,562	1,559
Selling expenses	-573	-570	-550	-534	-522	-538	-518	-501	-468
Administrative expenses	-640	-639	-609	-617	-559	-599	-580	-597	-545
Research and development costs	-80	-83	-85	-84	-75	-77	-73	-80	-74
Other operating income/costs	27	17	35	10	30	10	31	62	54
Profit from TrelleborgVibracoustic	155	42	133	123	25	97	110	37	72
Profit from associated companies	1	1	0	1	0	1	0	0	2
Items affecting comparability	-41	-99	-18	-68	-101	-204	-37	-129	-12
Operating profit	844	745	894	618	612	616	712	354	588
Financial income and expenses	-34	-33	-34	-42	-81	-32	-42	-37	-39
Profit before tax	810	712	860	576	531	584	670	317	549
Tax	-182	-169	-191	-136	-136	-165	-150	-59	-133
Tax related to TrelleborgVibracoustic	-45	-13	-46	-42	-13	-34	-29	-14	-18
Total tax	-227	-182	-237	-178	-149	-199	-179	-73	-151
Net profit in continuing operations	583	530	623	398	382	385	491	244	398
Net profit in discontinuing operations	-10	-	-	-39	-	-	-	13	0
Total net profit	573	530	623	359	382	385	491	257	398
- equity holders of the parent company	571	528	621	356	380	384	489	256	396
- non-controlling interest	2	2	2	3	2	1	2	1	2

Earnings per share, SEK	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Continuing operations	2.15	1.95	2.29	1.46	1.40	1.41	1.81	0.89	1.46
Discontinued operations	-0.04	0.00	0.00	-0.15	0.00	0.00	0.00	0.05	0.00
Group, total	2.11	1.95	2.29	1.31	1.40	1.41	1.81	0.94	1.46
Continuing operations, excluding items affecting comparability	2.31	2.20	2.34	1.71	1.67	2.12	1.90	1.22	1.50

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

At September 30, 2014	Derivatives valued at fair value in profit and loss		Derivatives used for hedging purposes		
SEK M	Carrying amount	Measurement level	Carrying amount	Measurement level	Total
Other financial non-current assets	-		9	2	9
Accounts receivable and other receivables	2	2	14	2	16
Current interest-bearing receivables	60	2	7	2	67
Total assets	62		30		92
Interest-bearing non-current liabilities	-		86	2	86
Interest-bearing current liabilities	21	2	130	2	151
Accounts payable and other liabilities	4	2	78	2	82
Total liabilities	25		294		319

At December 31, 2013	Derivatives valued at fair value in profit and loss		Derivatives used for hedging purposes		
SEK M	Carrying amount	Measurement level	Carrying amount	Measurement level	Total
Other financial non-current assets	-		18	2	18
Accounts receivable and other receivables	-3	2	16	2	13
Current interest-bearing receivables	24	2	37	2	61
Total assets	21		71		92
Interest-bearing non-current liabilities	-		59	2	59
Interest-bearing current liabilities	41	2	37	2	78
Accounts payable and other liabilities	2	2	50	2	52
Total liabilities	43		146		189

Valuation techniques used to derive Level 2 fair values

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

Disclosure of fair value for debt and other financial instruments

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

Parent Company

Income statements, SEK M	Q3 2014	Q3 2013	9M 2014	9M 2013	R12 2014	12M 2013
Administrative expenses	-64	-43	-210	-155	-366	-311
Other operating income	33	1	293	193	320	220
Operating profit	-31	-42	83	38	-46	-91
Financial income and expenses	-141	-198	-329	-424	-626	-721
Profit before tax	-172	-240	-246	-386	-672	-812
Appropriations	-	-	-	-	842	842
Tax	42	52	90	138	-30	18
Net profit	-130	-188	-156	-248	140	48

Statements of comprehensive income, SEK M	Q3 2014	Q3 2013	9M 2014	9M 2013	R12 2014	12M 2013
Net profit	-130	-188	-156	-248	140	48
Total comprehensive income	-130	-188	-156	-248	140	48

Balance sheets	Sep 30	Sep 30	Dec 31
SEK M	2014	2013	2013
Property, plant and equipment	23	23	24
Intangible assets	4	1	1
Financial assets	36,146	35,957	36,044
Total non-current assets	36,173	35,981	36,069
Current receivables	96	75	72
Current tax asset	174	56	17
Interest-bearing receivables	-	100	894
Cash and cash equivalents	0	0	0
Total current assets	270	231	983
Total assets	36,443	36,212	37,052
Shareholders' equity	11,573	12,280	12,574
Total equity	11,573	12,280	12,574
Untaxed reserves	19	105	19
Interest-bearing non-current liabilities	4,379	33	33
Other non-current liabilities	18	25	18
Total non-current liabilities	4,397	58	51
Interest-bearing current liabilities	20,348	23,720	24,247
Other current liabilities	106	49	161
Total current liabilities	20,454	23,769	24,408
Total equity and liabilities	36,443	36,212	37,052

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 and joint ventures are recognized according to the equity method, in which the initial participation in the associated company/joint venture is adjusted to reflect the Group's participation in the profit of the company and any dividends. As regards the Group's largest joint venture, TrelleborgVibracoustic, the share in profit is reported on two lines in the income statement: profit before tax and tax.

Cash conversion ratio Operating cash flow as a percentage of operating profit.

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 non interest-bearing operating liabilities (including pension liabilities) and excluding tax assets and tax liabilities.

Glossary

Floatover technology Elastomer elements that form part of the spring systems in LMUs ([Leg Mating Units](#)) of topside structures on substructures at sea in a floatover process, which replaces conventional lifting technology.

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

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

Polymer The word is derived from the Greek "poly," meaning "many" and "meros" meaning "parts." Polymers are made up of many small molecules – monomers – that are linked in long chains. Examples of polymers are plastics and rubber. A list of different rubber types is found on the webpage of Trelleborg's [Polymer School](#).

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 knowledge.

Core strategy

Trelleborg's strategy is to secure leading positions in selected segments. This means that we seek niches that – by virtue of our applications know-how and range of advanced products and solutions – provide market leadership. While leading positions are attained mainly through organic growth, bolt-on acquisitions are also implemented to strengthen market presence and the product range. We are also moving downstream in the value chain, toward more advanced products and total solutions, based on close collaboration with customers in early stages of development.

Trelleborg has defined four strategic cornerstones that support the strategy: Improved structure, Portfolio optimization, Geographic balance and Excellence.

Value drivers

Polymer engineering. Within our selected segments, we have pioneered applied polymer-engineering and materials technology for more than a century.

Local presence, global reach. Wherever we conduct business, our teams act both as a local partner and leverage our global strength and capabilities.

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

Customer integration. We always make it easy to do business with us, by integrating closely with markets and customers through multiple channels.

Business accelerator. We work as a proactive and long-term business partner, delivering solutions based on market foresight, contributing to better business for our customers.

Trelleborg's market segments:

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%			59%	3%	
- Transportation equipment	13%		10%		9%	42%
- Agriculture	12%				3%	58%
- Infrastructure construction	9%		11%	41%		
- Aerospace	4%				12%	
General industry	40%	100%	68%		47%	
Light vehicles	11%		11%		26%	

Net sales per market segment 2013

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

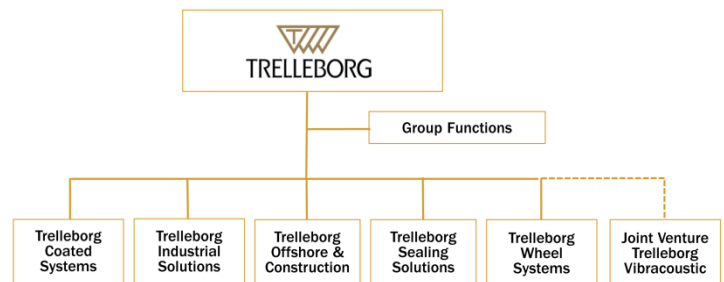
In July 2012, Trelleborg and Freudenberg formed a 50/50 joint venture in antivibration solutions for light and heavy vehicles, TrelleborgVibracoustic. The company is reported as a joint venture in the financial accounts and recognized in accordance with the equity method.

Discontinued operations

Refer generally to operations that are discontinuing or will be discontinued.

Group in total

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



Invitation to a telephone conference on October 22 at 10:30 a.m. CET

A presentation and telephone conference will be held on October 22 at 10:30 a.m. CET. To participate in the telephone conference, call +46 8 5055 6482 (Sweden), +44 20 3194 0546 (U.K.) or +1 85 5269 2606 (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 for the Internet link and presentation materials.

Financial calendar

Year-end report 2014	February 13, 2015
Annual Report 2014	Week starting March 16, 2015
Interim report January-March 2015	April 23, 2015
Annual General Meeting 2015 (Trelleborg)	April 23, 2015
Interim report April-June 2015	July 21, 2015
Interim report July-September 2015	October 22, 2015

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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 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 22, 2014, at 07:45 a.m. CET.

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