

Q3

Interim report July-September 2017

Stable earnings with good market trend

- Net sales for the third quarter of 2017 rose 3 percent to SEK 7,310 M (7,072).
- Organic sales increased 3 percent. Excluding project deliveries, the corresponding increase was 5 percent. Effects of structural changes made a positive contribution of 2 percent to net sales.
- EBIT, excluding items affecting comparability, rose 1 percent to SEK 920 M (915), equivalent to an EBIT margin of 12.6 percent (12.9).
- Items affecting comparability for the quarter were a negative SEK 45 M (neg: 51) and refer to restructuring expenses, in line with information previously communicated.
- Earnings per share for continuing operations excluding items affecting comparability totaled SEK 2.47 (2.46)
- Operating cash flow amounted to SEK 967 M (1,066). The cash conversion ratio for the most recent 12-month period was 95 percent (89).

SEK M	Q3 2017	Q3 2016	Change, %	9M 2017	9M 2016	Change, %
Net sales	7,310	7,072	3	23,873	19,711	21
Organic sales, %	3	-5		3	-5	
EBITA, excluding items affecting comparability	993	980	1	3,383	2,784	22
EBITA margin, %	13.5	13.8		14.1	14.1	
EBIT, excluding items affecting comparability	920	915	1	3,163	2,655	19
EBIT margin, %	12.6	12.9		13.2	13.5	
Items affecting comparability ¹	-45	-51		245	-273	
EBIT	875	864	1	3,408	2,382	43
Profit before tax	809	818	-1	3,235	2,226	45
Net profit, discontinuing operations ²	-	0		-	4,369	
Net profit, Group	635	631	1	2,601	6,066	-57
Earnings per share, SEK						
Continuing operations, excluding items affecting comparability	2.47	2.46	0	8.51	7.00	22
Continuing operations	2.34	2.33	0	9.59	6.26	53
Group	2.34	2.33	0	9.59	22.38	-57
Operating cash flow ³	967	1,066	-9	2,480	2,129	16

¹ 9M 2017 includes capital gain from the divestment of the compounding operation in Lesina, Czech Republic, with SEK 472 M, and restructuring expenses of SEK -227 M, of which in the quarter -45 MSEK.

² Relates to Vibracoustic.

³ Continuing operations.

Stable earnings with good market trend

“A favorable organic sales trend was noted by most business areas in the third quarter. Organic growth was 5 percent excluding the weak trend for project deliveries within the oil & gas segment.

In most geographic markets, market conditions for general industry improved further compared with the first half of the year. Challenging market conditions persisted in the oil & gas segment, which were partially offset through proactive cost adjustments. The European agricultural sector continued its recovery and posted a healthy trend, primarily in the OEM segment for agricultural machinery. In North America, the corresponding market trend remained weak, even if our volume trend continued to be positive.

The robust trend continued for the automotive industry. However, our aerospace industry deliveries declined slightly. Our assessment is that this is due to slightly restrained production rates at some aircraft manufacturers, which are linked to temporary capacity issues in the supply chain.

Operating profit reached its highest level for a third quarter, and given the negative result in the oil & gas segment, this is a sign of strength. The operating margin remained on a par with the year-earlier period as a result of stringent cost control and strong market positions. We have continuously worked to compensate for the higher raw material prices that prevailed for much of the year. During the latter part of the quarter, we achieved compensation for raw material prices.

In terms of the individual regional markets, our business grew most in Asia. Growth was also healthy in Western Europe, North America and South America. We noted a slightly weaker sales trend for Eastern and Central Europe, partly due to our concentrated focus in the quarter on preparing our local manufacturing units related to the acquisition of CGS for the forthcoming integration with existing business areas which will take place from the beginning of next year.

The integration of the acquired CGS units has largely developed satisfactorily and a number of initiatives have been accelerated during the quarter. Investments continue to create a more efficient long-term structure.

The weak trend for our oil & gas-related operation has partly impeded development of the Group's earnings. We are continuing to adjust the operation to lower demand with the aim of creating an operation that is well positioned for the long term.

Overall, our assessment is that the demand in the last quarter of the year will be on a par with, or slightly better than, the third quarter. As previously, we are carefully monitoring economic developments and continue to maintain a high level of preparedness to manage fluctuating market conditions.”

*Peter Nilsson,
President and CEO*

Market outlook for the fourth quarter 2017

Demand is expected to be on a par with, or slightly better than, the third quarter of 2017, adjusted for seasonal variations.

Market outlook from the interim report published on July 20, 2017, relating to the third quarter of 2017

Demand is expected to be on a par with the second quarter of 2017, adjusted for seasonal variations.

Third quarter

Net sales

2017

SEK M, growth	Q3 2017	Q3 2016	9M 2017	9M 2016	R12 2017	12M 2016
Net sales	7,310	7,072	23,873	19,711	31,307	27,145
Change total, %	3	18	21	4		9
Organic sales, %	3	-5	3	-5		-5
Structural change, %	2	24	17	11		15
Currency effects, %	-2	-1	1	-2		-1

Net sales for the third quarter of 2017 amounted to SEK 7,310 M (7,072). Organic sales increased by 3 percent during the quarter, impacted by improved demand in several market segments. Effects from structural changes contributed a positive 2 percent. Exchange rate effects accounted for a negative 2 percent impact on sales compared with the year-earlier period.

Excluding project deliveries¹:

The Group's organic sales increased 5 percent year on year. Organic sales in Western Europe rose 6 percent compared with the year-earlier period. In the rest of Europe, organic sales declined by 4 percent. Organic sales rose by 6 percent in North America, while an increase of 8 percent was noted in South & Central America. Asia and other markets reported an increase in organic sales of 9 percent.

¹ Project deliveries refer to the whole of Trelleborg Offshore & Construction and minor parts of Trelleborg Industrial Solutions operations. Overall, project deliveries account for approximately 10 percent of the Group's net sales.

Result

SEK M	Q3 2017	Q3 2016	Change, %	9M 2017	9M 2016	Change, %
EBITA, excluding items affecting comparability	993	980	1	3,383	2,784	22
EBITA margin, %	13.5	13.8		14.1	14.1	
EBIT, excluding items affecting comparability	920	915	1	3,163	2,655	19
EBIT margin, %	12.6	12.9		13.2	13.5	
Items affecting comparability ¹	-45	-51		245	-273	
EBIT	875	864	1	3,408	2,382	43
Financial income and expenses	-66	-46	-43	-173	-156	-11
Profit before tax	809	818	-1	3,235	2,226	45
Taxes	-174	-187	7	-634	-529	-20
Net profit, discontinuing operations ²	-	0		-	4,369	
Net profit, Group	635	631	1	2,601	6,066	-57

¹ 9M 2017 includes capital gain from the divestment of the compounding operation in Lesina, Czech Republic, with SEK 472 M, and restructuring expenses of SEK -227 M, of which in the quarter -45 MSEK.

² Relates to Vibracoustic.

EBITA, excluding items affecting comparability, totaled SEK 993 M (980), corresponding to a margin of 13.5 percent (13.8).

EBIT, excluding items affecting comparability, amounted to SEK 920 M (915) for the third quarter, a year-on-year increase of 1 percent. The total exchange rate effects on EBIT, excluding items affecting comparability, from the translation of foreign subsidiaries had a negative impact of SEK 20 M on earnings compared with the year-earlier period. The EBIT margin, excluding items affecting comparability, amounted to 12.6 percent (12.9).

The integration of acquired operations is progressing well and in line with plans and a number of integration projects were initiated during the quarter under the framework of these activities.

Earnings were negatively impacted by the difficult market situation in offshore oil & gas, and efforts to adapt the offshore operation are continuing.

The quarter was charged with items affecting comparability amounting to an expense of SEK 45 M (expense: 51), which refer to restructuring expenses.

EBIT for the quarter, including items affecting comparability, amounted to SEK 875 M (864), up 1 percent.

The net financial expense was SEK 66 M (expense: 46), corresponding to an interest rate of 2.4 percent (1.5).

Net profit for the Group totaled SEK 635 M (631). Excluding items affecting comparability, the tax rate for the quarter was 22 percent (23), impacted by a favorable country mix.

Return on capital employed

%	R12 2017	R12 2016	12M 2016
Excluding items affecting comparability	10.6	12.4	11.3
Including items affecting comparability	10.9	11.1	10.0

Capital employed for continuing operations increased year on year to SEK 37,202 M (36,444).

The return on capital employed, excluding items affecting

comparability, was 10.6 percent (12.4), impacted by acquisitions.

Cash flow

SEK M	Q3 2017	Q3 2016	Change, %	9M 2017	9M 2016	Change, %
EBITDA, operating profit before depreciation	1,240	1,227	1	4,134	3,399	22
Capital expenditure	-271	-250	-8	-687	-654	-5
Sold non-current assets	7	10		14	23	
Change in working capital	-5	76		-967	-640	
Dividend from associated companies	0	1		1	2	
Non cash-flow affecting items	-4	2		-15	-1	
Operating cash flow	967	1,066	-9	2,480	2,129	16
Cash impact from items affecting comparability	-82	-53		-195	-238	
Financial items	-81	-23		-196	-123	
Paid tax	-151	-178		-570	-427	
Free cash flow	653	812	-20	1,519	1,341	13
Acquisitions	1	-123		-103	-12,104	
Disposed/discontinuing operations ¹	-	6,185		649	6,185	
Dividend - equity holders of the parent company	-	-		-1,152	-1,084	
Sum net cash flow	654	6,874	-90	913	-5,662	

¹ 9M 2017 relates to divestment of compounding operation in Lesina, Czech Republic. The amount in 2016 represents the payment for the divestment of Vibracoustic.

Operating cash flow was in line with the year-earlier period and amounted to SEK 967 M (1,066). The cash conversion ratio for the most recent 12-month period was 95 percent (89).

Free cash flow amounted to SEK 653 M (812).

The net cash flow amounted to SEK 654 M (6,874), with proceeds from the divestment of Vibracoustic affecting the figure for 2016.

Net debt

Change in net debt, SEK M	9M 2017	9M 2016	12M 2016
Net debt, opening balance	-12,125	-6,282	-6,282
Net cash flow for the period	913	-5,662	-5,931
Exchange rate differences	572	-340	-597
Receivable related to the divestment of Vibracoustic	-	685	685
Net debt, closing balance	-10,640	-11,599	-12,125
Debt/equity ratio, %	41	47	48
Net debt/EBITDA			
Continuing operations, excluding items affecting comparability	2.0	2.7	2.7
Continuing operations, including items affecting comparability	2.0	2.9	2.9
Total Group	1.9	1.4	1.4

Since the beginning of the year, net debt has decreased by SEK 1,485 M, affected by net cash flow for the year and positive exchange rate differences.

The debt/equity ratio at the end of the period was 41 percent (47).

Net debt in relation to EBITDA, excluding items affecting comparability, amounted to 2.0 (2.7). The ratio for the Group as a whole was 1.9 (1.4).

Return on equity

%	R12 2017	R12 2016	12M 2016
Continuing operations, excluding items affecting comparability	11.5	11.1	11.4
Continuing operations, including items affecting comparability	12.3	9.9	10.1
Total Group ¹	12.3	30.7	30.1

¹ 2016 key figures include the capital gain from the disposal of Vibracoustic.

Shareholders' equity for the Group at the close of the period amounted to SEK 26,103 M (25,137 at January 1, 2017). Equity per share amounted to SEK 96 (90), up 7 percent. The equity/assets ratio was 55 percent (51). The total return on

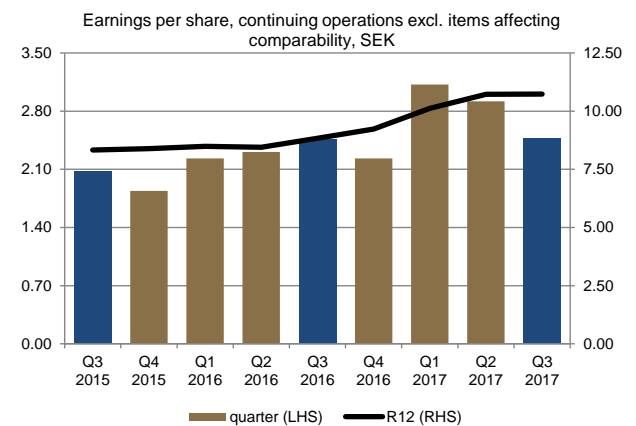
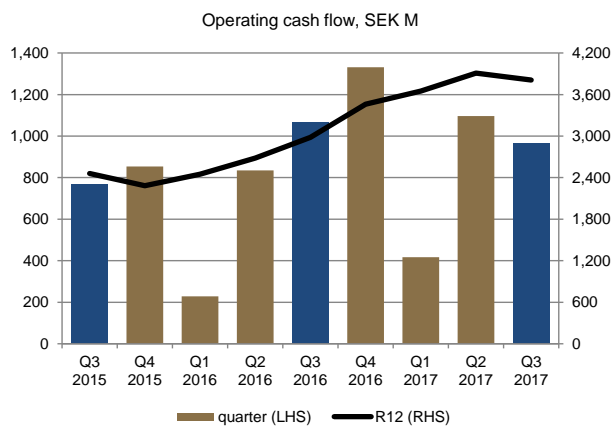
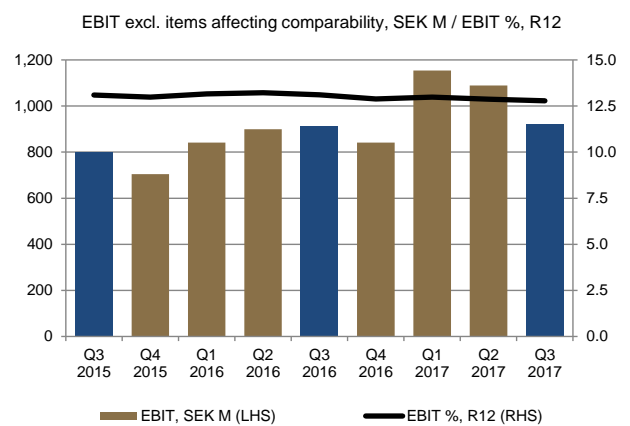
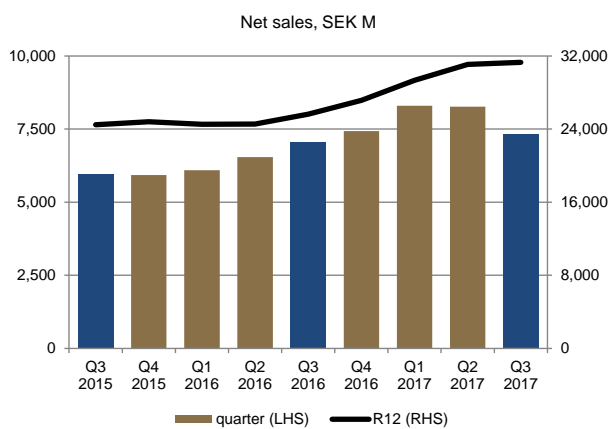
shareholders' equity for the Group was 12.3 percent (30.7), with the year-earlier period being positively affected by the capital gain in connection with the divestment of Vibracoustic.

Earnings per share

Earnings per share, SEK	Q3 2017	Q3 2016	9M 2017	9M 2016	R12 2017	12M 2016
Continuing operations	2.34	2.33	9.59	6.26	11.51	8.18
Discontinuing operations	0.00	0.00	0.00	16.12	0.00	16.12
Group, total	2.34	2.33	9.59	22.38	11.51	24.30
Continuing operations, excluding items affecting comparability	2.47	2.46	8.51	7.00	10.74	9.23

Earnings per share for continuing operations excluding items affecting comparability during the third quarter totaled SEK 2.47 (2.46).

For the Group in total, earnings per share amounted to SEK 2.34 (2.33).



January-September 2017

Net sales for the first nine months of 2017 totaled SEK 23,873 M (19,711), up 21 percent year on year.

EBIT for the first nine months of 2017 amounted to SEK 3,408 M (2,382), which includes a capital gain of SEK 472 M from the divestment of the compounding operation in Lesina in the Czech Republic.

The financial net expense was SEK 173 M (expense: 156), corresponding to an average interest rate of 2.0 percent (2.1).

Profit before tax totaled SEK 3,235 M (2,226).

Net profit for the Group totaled SEK 2,601 M (6,066). 2016 included net profit for discontinuing operations relating to Vibracoustic in the amount of SEK 4,369 M.

Total earnings per share for the Group were SEK 9.59 (22.38).

Significant events during the quarter

New production facility in Denmark. Trelleborg Sealing Solutions decided to invest in a new state-of-the-art production facility for sealing solutions in Denmark, thus relocating its current manufacturing facility in the country. The move is intended to transform and further expand the current capabilities of the existing facility to demonstrate future manufacturing principles and technologies that enable profitable sales growth. The investment forms part of Trelleborg's strategy to strengthen positions in attractive market segments.

Trelleborg will invest a total of approximately SEK 120 M during 2017-2020. The investment for this year is within the previously announced framework for capital expenditures for 2017. It is estimated that production will be able to commence in the new facility at the beginning of 2020.

The press release was published on August 17, 2017.

New Business Area President for Trelleborg Sealing Solutions. Peter Hahn was appointed new Business Area President of Trelleborg Sealing Solutions as of January 1, 2018. He succeeds Claus Barsøe and will, like his predecessor, be a member of Group Management. Claus Barsøe will become Executive Vice President within Trelleborg Sealing Solutions, focusing on the transition to the new president and future business development.

Peter Hahn, born in 1958, is currently President Global Business Development including global head of the aerospace and automotive segments at Trelleborg Sealing Solutions. He has held various senior positions in the business area since 2001. Before joining Trelleborg, Peter worked in various senior management positions at 4M Technologies, Leybold and Degussa.

Claus Barsøe has been Business Area President of Trelleborg Sealing Solutions since 2003.

The press release was published on August 31, 2017.

Nomination Committee and proposed new chairman 2018.

At Trelleborg's Annual General Meeting 2017, the Chairman of the Board was assigned the task of asking the five largest shareholders, in terms of votes registered on August 31, 2017, to appoint one member each to the Nomination Committee prior to the 2018 Annual General Meeting.

The following agreed to participate in the Nomination Committee:

Ragnar Lindqvist, Dunker Interests
Henrik Didner, Didner & Gerge Funds
Peter Lagerlöf, Lannebo Funds
Tomas Risbecker, AMF & AMF Funds
Olof Jonasson, First AP Fund

The Chairman of the Board, Sören Mellstig, has after ten years as a board member, including five years as its Chairman, declared that he is not available for re-election. The Nomination Committee therefore decided to propose to the 2018 Annual General Meeting the election of current Director, Hans Biörck, as the new Chairman of the Board.

The Annual General Meeting will be held in Trelleborg, Sweden, on April 25, 2018, at 17:00 CET.

The press release was published on September 15, 2017.

Significant events after the close of the period

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

Risk management

Trelleborg serves a broad range of customers in a variety of market segments and niches. Sales are made to approximately 150 countries worldwide and the Group has manufacturing operations at 120 production units in around 50 countries.

Although the business is diversified, deploying several business models and operating a number of production units, and has an effective underlying spread of financial risks, a number of risks remain.

Trelleborg has identified nine major risks in five areas. These include risks that may result in damage or loss with substantial impact on the entire Group and therefore justify management of the risk exposure at Group level.

For information regarding the Group's risks, risk exposure and risk management, refer to the latest Trelleborg Annual Report, www.trelleborg.com and the information published in this interim report.

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the applicable rules of the Swedish Annual Accounts Act. The Parent Company applies recommendation RFR 2, Accounting for Legal Entities of the Swedish Financial Reporting Board and Chapter 9 of the Swedish Annual Accounts Act, Interim Report. 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.

New and amended standards applied from January 1, 2017

New and amended standards are not considered to have had a material impact on the Group's or Parent Company's earnings or financial position.

This report was subject to a brief review by the company's auditor.

Trelleborg, October 27, 2017
Board of Directors of Trelleborg AB (publ)

Review report

Introduction

We have reviewed the interim report for Trelleborg AB (publ) for the period January 1 - September 30, 2017. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the 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 Financial Information 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 has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

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

Trelleborg, October 27, 2017

Deloitte AB

Hans Warén
Authorized Public Accountant
Auditor in charge

Maria Ekelund
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 2017	Q3 2016	Change, %	9M 2017	9M 2016	Change, %
Net sales	565	596	-5	1,883	1,855	2
Change total, %	-5	-1		2	-5	
Organic sales, %	-2	-2		-1	-5	
Structural change, %	-	-		-	-	
Currency effects, %	-3	1		3	0	
EBIT	58	74	-22	199	236	-16
EBIT, %	10.3	12.4		10.6	12.7	

Additional key ratios on pages 19 - 20

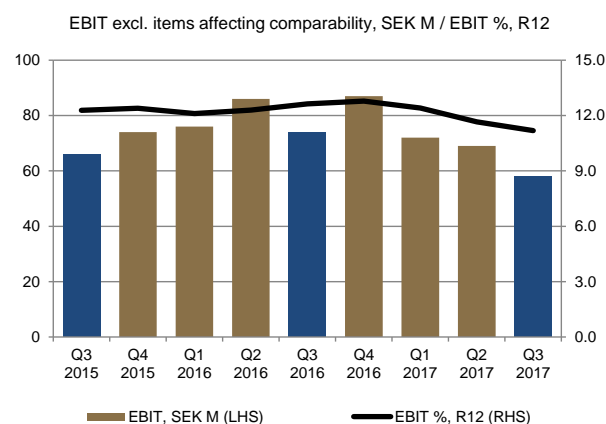
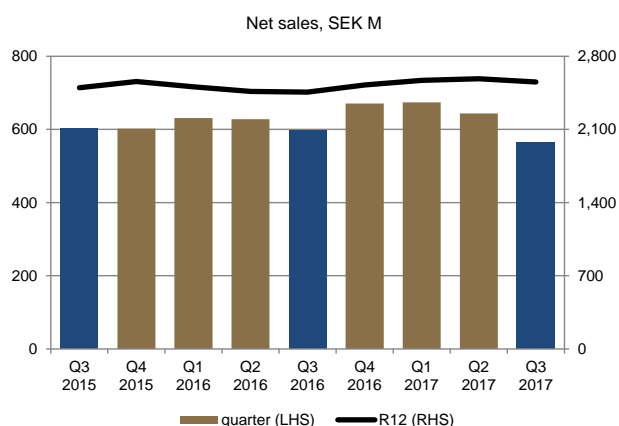
Organic sales for the quarter declined by 2 percent year on year.

Organic sales for coated fabrics declined compared with the year-earlier period. The sales trend in North America was positive, but was counteracted by a weaker trend in Asia. Sales in Europe were unchanged. Sales to general industry and the automotive industry were favorable, while demand from the aerospace industry was lower.

Organic sales of printing blankets were somewhat lower year on year. Stronger sales of printing blankets to Asia partially offset a weaker trend in other regions.

EBIT and EBIT margin declined compared with the corresponding period in 2016, impacted by lower volumes and

a negative mix. Earnings were also affected by production disturbances at a production unit in North America, which can be attributed to the consolidation of two units. Production improvements were however achieved during the quarter compared with the situation in the first half of the year. The consolidation aims to generate synergies and ultimately create a more efficient structure in the long run. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 3 M on earnings compared with the year-earlier period.





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

Excluding items affecting comparability, SEK M	Q3 2017	Q3 2016	Change, %	9M 2017	9M 2016	Change, %
Net sales ¹	1,290	1,139	13	4,186	3,598	16
Change total, %	13	-3		16	-5	
Organic sales, %	4	-5		4	-4	
Structural change, %	11	2		12	1	
Currency effects, %	-2	0		0	-2	
EBIT ¹	128	111	15	456	372	23
EBIT, %	10.0	9.7		10.9	10.3	

Additional key ratios on pages 19 - 20

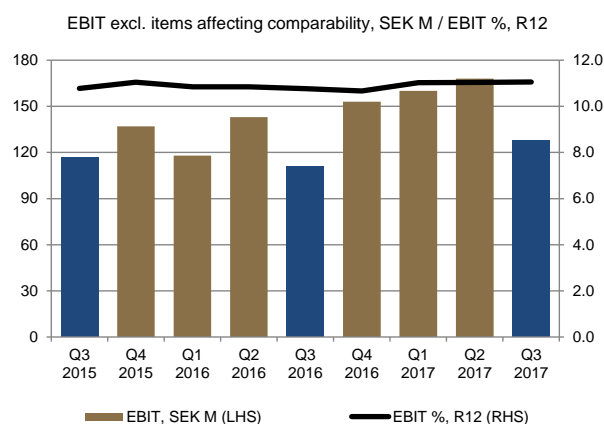
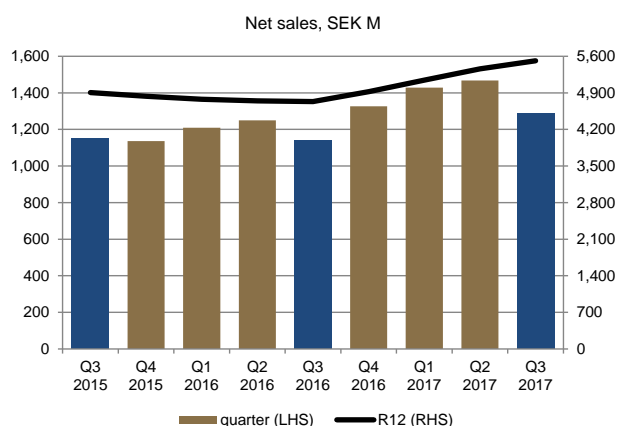
¹ Certain operations previously reported in the Trelleborg Industrial Solutions business area have, January 1, 2017 been transferred to the Trelleborg Sealing Solutions business area. The previous year's key ratios have been adjusted. Total turnover moved from Trelleborg Industrial Solutions amounted to SEK 269 M for the full year 2016 and for EBIT SEK 16 M.

Organic sales for the quarter increased 4 percent year on year. Organic sales rose slightly in Europe and was even more positive in North America and Asia. The sales trend to the automotive industry was unchanged. Sales to general industry were positive in most geographical regions. Low activity in the oil & gas segment continued to negatively impact sales. Deliveries to the infrastructure construction segment varied among the different sub-segments and geographical markets.

EBIT increased due to higher volumes and previously competed acquisitions. The EBIT margin rose slightly compared

with the corresponding period in 2016. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 3 M on earnings compared with the year-earlier period.

The work aimed at strengthening our long-term position within antivibration outside the light vehicles segment is continuing, with the integration of the previously acquired Schwab Vibration Control, among other activities, proceeding well and according to plan.



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.

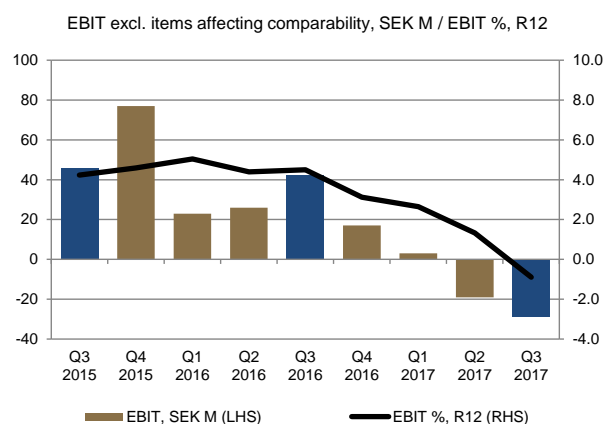
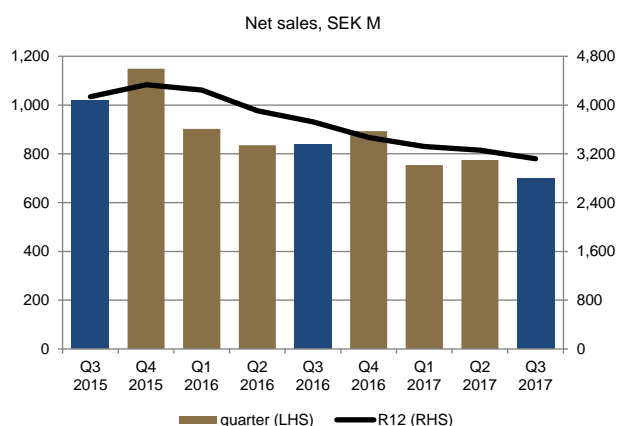
Excluding items affecting comparability, SEK M	Q3 2017	Q3 2016	Change, %	9M 2017	9M 2016	Change, %
Net sales	698	837	-17	2,227	2,574	-13
Change total, %	-17	-18		-13	-19	
Organic sales, %	-14	-22		-14	-22	
Structural change, %	-	8		-	6	
Currency effects, %	-3	-4		1	-3	
EBIT	-29	42	-169	-45	91	-149
EBIT, %	-4.1	5.1		-2.0	3.5	

Additional key ratios on pages 19 - 20

Organic sales for the quarter declined by 14 percent year on year. The decline was mainly the result of fewer project transactions in the oil & gas segment as well as lower sales in parts of the infrastructure construction segment.

The business area reported a negative EBIT and EBIT margin during the quarter on account of fewer deliveries of large project orders and thus under-absorption in several production units. Adaptation of the offshore oil & gas operation to the difficult market situation is continuing and has helped to

limit the impact on earnings despite significantly lower organic sales. The market situation in the oil & gas segment remains at the level that indicates continued intensive competition for outstanding projects and a depressed demand scenario moving forward. The strategic review of the offshore operation is continuing and the final analysis may lead to structural changes. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 2 M on earnings compared with the year-earlier period.



Trelleborg

BUSINESS AREA

Sealing Solutions

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 2017	Q3 2016	Change, %	9M 2017	9M 2016	Change, %
Net sales ¹	2,388	2,195	9	7,607	6,555	16
Change total, %	9	3		16	-1	
Organic sales, %	8	-1		8	-1	
Structural change, %	3	4		7	1	
Currency effects, %	-2	0		1	-1	
EBIT ¹	533	470	13	1,762	1,483	19
EBIT, %	22.3	21.4		23.2	22.6	

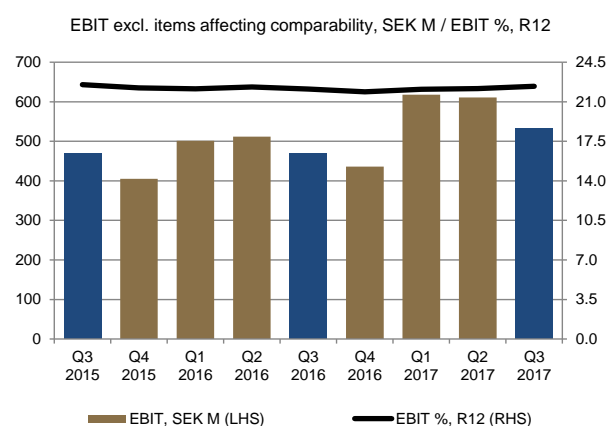
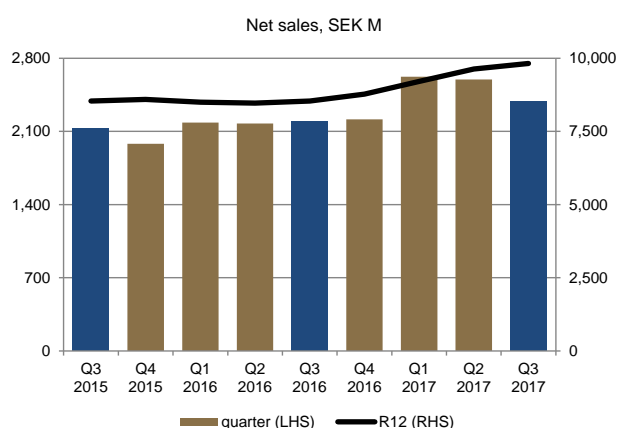
Additional key ratios on pages 19 - 20

¹ Certain operations previously reported in the Trelleborg Industrial Solutions business area have, January 1, 2017 been transferred to the Trelleborg Sealing Solutions business area. The previous year's key ratios have been adjusted. Total turnover moved to Trelleborg Sealing Solutions amounted to SEK 212 M for the full year 2016 and for EBIT SEK 16 M.

Organic sales for the quarter increased by 8 percent year on year. Sales to the automotive industry were in line with the corresponding period in 2016. Deliveries to general industry improved in all geographic regions, above all in the more capital-intensive sector. Organic sales increased in all geographic regions, and was particularly favorable in Asia. Sales to Asia rose significantly, predominantly to the automotive industry but also to general industry. Deliveries to the aerospace industry were somewhat weaker during the quarter, due primarily to temporary capacity restrictions in the sub-supplier stage.

The EBIT and EBIT margin improved as a result of higher volumes and good cost control. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 10 M on earnings compared with the year-earlier period.

During the quarter, Peter Hahn was appointed new Business Area President as of January 1, 2018. Furthermore, the business area decided to invest in a new state-of-the-art production facility for sealing solutions in Denmark with production set to commence at the beginning of 2020. Refer to page 7.





Trelleborg Wheel Systems is a leading global supplier of tires and complete wheels for agricultural and forestry machines, material handling and construction vehicles and two-wheeled vehicles.

Excluding items affecting comparability, SEK M	Q3 2017	Q3 2016	Change, %	9M 2017	9M 2016	Change, %
Net sales	1,992	1,855	7	6,680	4,471	49
Change total, %	7	79		49	36	
Organic sales, %	7	1		9	1	
Structural change, %	0	78		39	37	
Currency effects, %	0	0		1	-2	
EBIT	215	204	5	776	546	42
EBIT, %	10.8	11.0		11.6	12.2	

Additional key ratios on pages 19 - 20

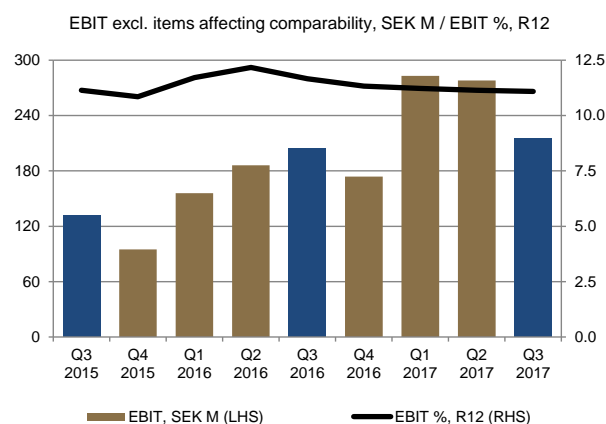
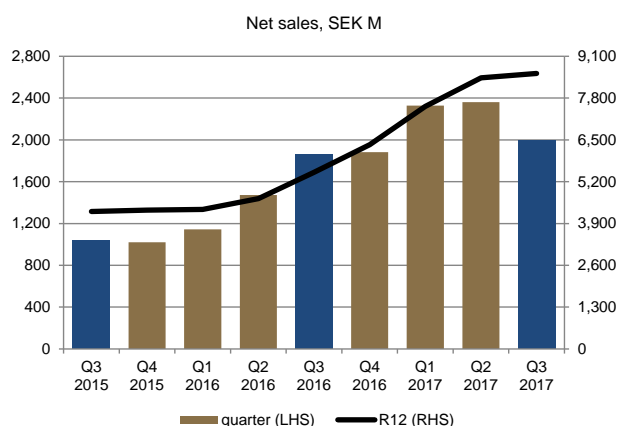
Organic sales for the quarter increased 7 percent year on year. Organic sales of agricultural tires to OEMs of agricultural machinery rose sharply in all regions. The aftermarket in Europe was stable and performed well in North America.

Organic sales of tires for material handling vehicles and construction equipment increased year on year. Organic sales to the North American market decreased somewhat, but this was fully offset by a healthy sales trend in other markets.

EBIT increased on account of the organic growth. The EBIT margin declined somewhat, primarily as a result of the sales mix. Adjustments to sales prices were carried out during the quarter, and the higher raw material prices were offset during the period. Integration work with acquired operations is continuing according to plan and costs related to these

measures impacted earnings. Moreover, a high employment rate, especially in the Czech Republic, resulted in a higher employee turnover. This has affected the delivery rate negatively during the quarter and to some extent also the efficiency. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 4 M on earnings compared with the year-earlier period.

The business area is continuing to introduce new, smart tire systems in the market, such as ConnectTire, which uses Bluetooth and a wireless connection to monitor tire pressure and temperature, which play a significant role in soil compaction and productivity.





Rubena Savatech

Rubena Savatech is a leading supplier of engineered polymer solutions to the general and automotive industries.

The business, which was acquired as part of CGS, will be recognized separately from Trelleborg's business areas during a transition period, before being integrated into the Trelleborg Industrial Solutions and Trelleborg Coated Systems business areas at the beginning of 2018.

Excluding items affecting comparability, SEK M	Q3 2017	Q3 2016	Change, %	9M 2017	9M 2016 ¹	Change, %
Net sales	446	450	-1	1,463	616	138
Change total, %	-1	-		137	-	
Organic sales, %	-3	-		-	-	
Structural change, %	0	-		134	-	
Currency effects, %	2	-		3	-	
EBIT	33	55	-40	142	81	75
EBIT, %	7.4	12.1		9.7	13.1	

Additional key ratios on pages 19 - 20

¹ Key ratios 2016 refer to the period of June to September.

Organic sales for the quarter declined 3 percent year on year. Sales of niche products to both the automotive industry and general industry were satisfactory for the quarter. Capacity utilization for most product lines was high. Order intake remained strong, but a high employment rate in the Czech Republic in particular resulted in a higher employee turnover, which partially negatively impacted the pace of deliveries in the quarter. Activities to normalize employee turnover are in progress.

EBIT and EBIT margin were also adversely impacted by these staff-related challenges. Integration activities with

Trelleborg Industrial Solutions and Trelleborg Coated Systems are progressing according to plan. Rubena Savatech is scheduled to be integrated into the above-mentioned business areas from the beginning of 2018. In preparation for this integration, investment projects are underway aimed at, for example, increasing manufacturing capacity, in addition to other efficiency-enhancement measures. Earnings for the quarter were charged with costs related to these actions. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 1 M on earnings compared with the year-earlier period.

Income Statements

Income Statements, SEK M	Q3 2017	Q3 2016	9M 2017	9M 2016	R12 2017	12M 2016
Net sales	7,310	7,072	23,873	19,711	31,307	27,145
Cost of goods sold	-4,959	-4,749	-16,110	-13,002	-21,187	-18,079
Gross profit	2,351	2,323	7,763	6,709	10,120	9,066
Selling expenses	-599	-591	-1,926	-1,673	-2,555	-2,302
Administrative expenses	-733	-757	-2,308	-2,127	-3,136	-2,955
Research and development costs	-122	-100	-382	-305	-510	-433
Other operating income/expenses	20	36	8	45	74	111
Profit from associated companies	3	4	8	6	11	9
EBIT, excluding items affecting comparability	920	915	3,163	2,655	4,004	3,496
Items affecting comparability ¹	-45	-51	245	-273	127	-391
EBIT	875	864	3,408	2,382	4,131	3,105
Financial income and expenses	-66	-46	-173	-156	-226	-209
Profit before tax	809	818	3,235	2,226	3,905	2,896
Tax	-174	-187	-634	-529	-785	-680
Net profit in continuing operations	635	631	2,601	1,697	3,120	2,216
Net profit in discontinuing operations ²	-	0	-	4,369	-	4,369
Total net profit	635	631	2,601	6,066	3,120	6,585
- equity holders of the parent company	635	631	2,601	6,066	3,120	6,585

¹ 9M 2017 includes capital gain from the divestment of the compounding operation in Lesina, Czech Republic, with SEK 472 M, and restructuring expenses of SEK -227 M, of which in the quarter -45 MSEK

² Relates to Vibracoustic.

Earnings per share, SEK	Q3 2017	Q3 2016	9M 2017	9M 2016	R12 2017	12M 2016
Continuing operations	2.34	2.33	9.59	6.26	11.51	8.18
Discontinuing operations	0.00	0.00	0.00	16.12	0.00	16.12
Group, total	2.34	2.33	9.59	22.38	11.51	24.30
Continuing operations, excluding items affecting comparability	2.47	2.46	8.51	7.00	10.74	9.23
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 2017	Q3 2016	9M 2017	9M 2016	R12 2017	12M 2016
Total net profit	635	631	2,601	6,066	3,120	6,585
Other comprehensive income						
Items that will not be reclassified to the income statement						
Reassessment of net pension obligation ¹	0	0	15	-66	35	-46
Total	0	0	15	-66	35	-46
Items that may be reclassified to the income statement						
Cash flow hedges	8	11	58	76	147	165
Hedging of net investment	225	-241	287	-508	293	-502
Translation difference	-654	730	-771	1,471	-690	1,552
Income tax relating to components of other comprehensive income	-50	44	-69	120	-90	99
Other comprehensive income relating to disposed / discontinuing operations	0	0	-3	-254	-3	-254
Total	-471	544	-498	905	-343	1,060
Other comprehensive income, net of tax	-471	544	-483	839	-308	1,014
Total comprehensive income	164	1,175	2,118	6,905	2,812	7,599

¹ Remeasurement is carried out in connection with preparation of the six-month and full-year financial statements and thereafter only in the event of significant changes.

EBIT specification, SEK M	Q3 2017	Q3 2016	9M 2017	9M 2016	R12 2017	12M 2016
EBITDA, excluding items affecting comparability	1,240	1,227	4,134	3,399	5,300	4,565
Depreciation, property, plant and equipment	-247	-247	-751	-615	-1,002	-866
EBITA, excluding items affecting comparability	993	980	3,383	2,784	4,299	3,700
Amortization, intangible assets	-73	-65	-220	-129	-295	-204
EBIT, excluding items affecting comparability	920	915	3,163	2,655	4,004	3,496
Items affecting comparability	-45	-51	245	-273	127	-391
EBIT	875	864	3,408	2,382	4,131	3,105

Balance Sheets

Balance Sheets, SEK M	Sep 30 2017	Sep 30 2016	Dec 31 2016
Property, plant and equipment	8,855	9,111	9,435
Intangible assets	22,619	21,904	23,203
Other non-current assets	795	1,336	1,289
Total non-current assets	32,269	32,351	33,927
Inventories	5,184	4,982	5,060
Current operating receivables	7,350	7,204	6,710
Current interest-bearing receivables	305	709	778
Cash and cash equivalents	2,045	2,814	1,879
Total current assets	14,884	15,709	14,427
Total assets	47,153	48,060	48,354
Equity	26,103	24,443	25,137
Non-current interest-bearing liabilities	8,758	6,984	9,852
Other non-current liabilities	1,781	1,972	1,832
Total non-current liabilities	10,539	8,956	11,684
Interest-bearing current liabilities	4,238	8,492	5,282
Other current liabilities	6,273	6,169	6,251
Total current liabilities	10,511	14,661	11,533
Total equity and liabilities	47,153	48,060	48,354

Specification of changes in equity, SEK M	Sep 30 2017	Sep 30 2016	Dec 31 2016
Opening balance, January 1	25,137	18,622	18,622
Total comprehensive income	2,118	6,905	7,599
Dividend	-1,152	-1,084	-1,084
Closing balance	26,103	24,443	25,137

Specification of capital employed, SEK M	Sep 30 2017	Sep 30 2016	Dec 31 2016
Total assets	47,153	48,060	48,354
Less:			
Interest-bearing receivables ¹	337	1,088	1,137
Cash and cash equivalents	2,045	2,814	1,879
Tax assets	1,562	1,546	1,570
Operating liabilities	6,084	6,273	6,180
Capital employed	37,125	36,339	37,588
of which discontinuing operations	-77	-105	-82
Capital employed excluding discontinuing operations	37,202	36,444	37,670

¹ Including receivable relating to disposal of Vibracoustic.

Cash-flow statements

Cash flow statements, SEK M	Q3 2017	Q3 2016	9M 2017	9M 2016	R12 2017	12M 2016
Operating activities						
EBIT incl part in associated companies	875	864	3,408	2,382	4,131	3,105
Adjustments for items not included in cash flow from operating activities:						
Depreciation, property, plant and equipment	243	245	747	614	1,001	868
Amortization, intangible assets	73	64	220	129	294	203
Impairment losses, property, plant and equipment	4	5	4	56	2	54
Impairment losses, intangible assets	0	-	25	-	25	-
Dividend from associated companies	0	1	1	2	1	2
Participations in associated companies and other non cash-flow affecting items	-4	4	-15	0	-20	-5
Cash-flow effects from items affecting comparability	-	-	0	-	4	4
Capital gain in divested operations	-	-	-472	-	-472	-
Interest received and other financial items	9	9	29	26	43	40
Interest paid and other financial items	-90	-32	-225	-149	-289	-213
Taxes paid	-151	-178	-570	-427	-736	-593
Cash flow from operating activities before changes in working capital	959	982	3,152	2,633	3,984	3,465
Cash flow from changes in working capital:						
Change in inventories	-111	-48	-399	-123	-281	-5
Change in operating receivables	399	378	-803	361	-117	1,047
Change in operating liabilities	-293	-254	235	-878	80	-1,033
Change in items affecting comparability	-37	-7	7	-21	33	5
Cash flow from operating activities	917	1,051	2,192	1,972	3,699	3,479
Investing activities						
Acquisitions	1	-123	-103	-12,104	-1,379	-13,380
Disposed/discontinuing operations	-	6,185	649	6,185	629	6,165
Capital expenditure, property, plant and equipment	-260	-256	-656	-610	-1,120	-1,074
Capital expenditure, intangible assets	-11	6	-31	-44	-61	-74
Sale of non-current assets	7	10	14	23	28	37
Cash flow from investing activities	-263	5,822	-127	-6,550	-1,903	-8,326
Financing activities						
Change in interest-bearing investments	369	61	1,361	-20	1,058	-323
Change in interest-bearing liabilities	-1,011	-5,838	-1,981	5,855	-2,379	5,457
Dividend - equity holders of the parent company	-	-	-1,152	-1,084	-1,152	-1,084
Cash flow from financing activities	-642	-5,777	-1,772	4,751	-2,473	4,050
Cash flow for the period	12	1,096	293	173	-677	-797
Cash and cash equivalents:						
At beginning of the period	2,096	1,675	1,879	2,552	2,814	2,552
Exchange rate differences	-63	43	-127	89	-92	124
Cash and cash equivalents at end of period	2,045	2,814	2,045	2,814	2,045	1,879

Key figures

SEK M	Q3 2017	Q3 2016	9M 2017	9M 2016	R12 2017	12M 2016
Net sales						
Trelleborg Coated Systems	565	596	1,883	1,855	2,554	2,526
Trelleborg Industrial Solutions ¹	1,290	1,139	4,186	3,598	5,512	4,924
Trelleborg Offshore & Construction	698	837	2,227	2,574	3,120	3,467
Trelleborg Sealing Solutions ¹	2,388	2,195	7,607	6,555	9,823	8,771
Trelleborg Wheel Systems	1,992	1,855	6,680	4,471	8,563	6,354
Rubena Savatech ²	446	450	1,463	616	1,910	1,063
Group items/Eliminations	-69	0	-173	42	-175	40
Total	7,310	7,072	23,873	19,711	31,307	27,145
EBIT, excluding items affecting comparability						
Trelleborg Coated Systems	58	74	199	236	286	323
Trelleborg Industrial Solutions ¹	128	111	456	372	609	525
Trelleborg Offshore & Construction	-29	42	-45	91	-28	108
Trelleborg Sealing Solutions ¹	533	470	1,762	1,483	2,198	1,919
Trelleborg Wheel Systems	215	204	776	546	950	720
Rubena Savatech ²	33	55	142	81	173	112
Group items	-18	-41	-127	-154	-184	-211
Total	920	915	3,163	2,655	4,004	3,496
EBIT %, excluding items affecting comparability						
Trelleborg Coated Systems	10.3	12.4	10.6	12.7	11.2	12.8
Trelleborg Industrial Solutions ¹	10.0	9.7	10.9	10.3	11.1	10.7
Trelleborg Offshore & Construction	-4.1	5.1	-2.0	3.5	-0.9	3.1
Trelleborg Sealing Solutions ¹	22.3	21.4	23.2	22.6	22.4	21.9
Trelleborg Wheel Systems	10.8	11.0	11.6	12.2	11.1	11.3
Rubena Savatech ²	7.4	12.1	9.7	13.1	9.1	10.5
Total	12.6	12.9	13.2	13.5	12.8	12.9

¹ Certain operations previously reported in the Trelleborg Industrial Solutions business area have, January 1, 2017 been transferred to the Trelleborg Sealing Solutions business area. The previous year's key ratios have been adjusted for this internal allocation. Total turnover moved from Trelleborg Industrial Solutions amounted to SEK 269 M for the full year 2016 and for EBIT SEK 16 M.

² Key ratios 9M 2016 refer to the period of June to September.

Net sales per market, share and organic growth, %	Q3 2017	Q3 2016	9M 2017	9M 2016
Western Europe (47%)	3	-7	1	-5
Other Europe (9%)	-5	7	6	6
North America (23%)	-1	-3	3	-8
South and Central America (4%)	4	0	-3	-7
Asia and other markets (17%)	14	-7	9	-3
Total (100% refer to share 2016)	3	-5	3	-5

Net sales per market excluding project related ³ , organic growth, %	Q3 2017	Q3 2016	9M 2017	9M 2016
Western Europe	6	-4	5	-3
Other Europe	-4	2	9	5
North America	6	-8	5	-7
South and Central America	8	14	9	3
Asia and other markets	9	19	13	9
Total	5	-1	7	-2

³ Project deliveries refer to the whole of Trelleborg Offshore & Construction and minor parts of Trelleborg Industrial Solutions' operations.

SEK M	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net sales									
Trelleborg Coated Systems	565	644	674	671	596	628	631	602	602
Trelleborg Industrial Solutions ¹	1,290	1,468	1,428	1,326	1,139	1,250	1,209	1,136	1,152
Trelleborg Offshore & Construction	698	775	754	893	837	835	902	1,149	1,019
Trelleborg Sealing Solutions ¹	2,388	2,596	2,623	2,216	2,195	2,176	2,184	1,981	2,125
Trelleborg Wheel Systems	1,992	2,360	2,328	1,883	1,855	1,472	1,144	1,020	1,037
Rubena Savatech ²	446	520	497	447	450	166	-	-	-
Group items/Eliminations	-69	-98	-6	-2	0	17	25	39	40
Total	7,310	8,265	8,298	7,434	7,072	6,544	6,095	5,927	5,975
EBIT, excluding items affecting comparability									
Trelleborg Coated Systems	58	69	72	87	74	86	76	74	66
Trelleborg Industrial Solutions ¹	128	168	160	153	111	143	118	137	117
Trelleborg Offshore & Construction	-29	-19	3	17	42	26	23	77	46
Trelleborg Sealing Solutions ¹	533	611	618	436	470	512	501	405	470
Trelleborg Wheel Systems	215	278	283	174	204	186	156	95	132
Rubena Savatech ²	33	48	61	31	55	26	-	-	-
Group items	-18	-66	-43	-57	-41	-80	-33	-83	-33
Total	920	1,089	1,154	841	915	899	841	705	798
EBIT %, excluding items affecting comparability									
Trelleborg Coated Systems	10.3	10.7	10.7	12.9	12.4	13.7	12.1	12.3	11.0
Trelleborg Industrial Solutions ¹	10.0	11.4	11.2	11.5	9.7	11.4	9.8	12.1	10.1
Trelleborg Offshore & Construction	-4.1	-2.5	0.4	1.9	5.1	3.1	2.6	6.6	4.6
Trelleborg Sealing Solutions ¹	22.3	23.5	23.6	19.7	21.4	23.5	22.9	20.5	22.1
Trelleborg Wheel Systems	10.8	11.8	12.1	9.2	11.0	12.6	13.6	9.3	12.7
Rubena Savatech ²	7.4	9.3	12.3	7.0	12.1	15.6	-	-	-
Total	12.6	13.2	13.9	11.3	12.9	13.7	13.8	11.9	13.4
Items affecting comparability	-45	-76	366	-118	-51	-107	-115	-90	-109
EBIT	875	1,013	1,520	723	864	792	726	615	689

¹ Certain operations previously reported in the Trelleborg Industrial Solutions business area have, January 1, 2017 been transferred to the Trelleborg Sealing Solutions business area. The previous year's key ratios have been adjusted. Total turnover moved from Trelleborg Industrial Solutions amounted to SEK 269 M for the full year 2016 and for EBIT SEK 16 M.

² Key ratios Q2 2016 refer to the period of June only.

Bridge net sales SEK M, %	Q3 2016, SEK M	Organic sales, %	Structural change, %	Currency effects, %	Q3 2017, SEK M
Trelleborg Coated Systems	596	-2	-	-3	565
Trelleborg Industrial Solutions	1,139	4	11	-2	1,290
Trelleborg Offshore & Construction	837	-14	-	-3	698
Trelleborg Sealing Solutions	2,195	8	3	-2	2,388
Trelleborg Wheel Systems	1,855	7	0	0	1,992
Rubena Savatech	450	-3	0	2	446
Group items/Eliminations	0	-	-	-	-69
Total	7,072	3	2	-2	7,310

Exchange rate differences impacting EBIT excluding items affecting comparability ³ , SEK M	Q3 2017	9M 2017
Trelleborg Coated Systems	-3	10
Trelleborg Industrial Solutions	-3	5
Trelleborg Offshore & Construction	-2	-7
Trelleborg Sealing Solutions	-10	19
Trelleborg Wheel Systems	-4	8
Rubena Savatech	1	2
Group items	1	0
Total	-20	37

³ Impact on EBIT excluding items affecting comparability in translation of foreign subsidiaries.

Income Statements, SEK M	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Net sales	7,310	8,265	8,298	7,434	7,072	6,544	6,095	5,927	5,975
Cost of goods sold	-4,959	-5,586	-5,565	-5,077	-4,749	-4,269	-3,984	-3,956	-3,983
Gross profit	2,351	2,679	2,733	2,357	2,323	2,275	2,111	1,971	1,992
Selling expenses	-599	-670	-657	-629	-591	-558	-524	-480	-502
Administrative expenses	-733	-797	-778	-828	-757	-712	-658	-724	-651
Research and development costs	-122	-131	-129	-128	-100	-105	-100	-101	-91
Other operating income/costs	20	6	-18	66	36	-3	12	38	50
Profit from associated companies	3	2	3	3	4	2	0	1	0
EBIT, excluding items affecting comparability	920	1,089	1,154	841	915	899	841	705	798
Items affecting comparability	-45	-76	366	-118	-51	-107	-115	-90	-109
EBIT	875	1,013	1,520	723	864	792	726	615	689
Financial income and expenses	-66	-56	-51	-53	-46	-63	-47	-43	-34
Profit before tax	809	957	1,469	670	818	729	679	572	655
Tax	-174	-220	-240	-151	-187	-192	-150	-132	-170
Net profit in continuing operations	635	737	1,229	519	631	537	529	440	485
Net profit in discontinuing operations	-	-	-	-	-	4,369	-	104	131
Total net profit	635	737	1,229	519	631	4,906	529	544	616
- equity holders of the parent company	635	737	1,229	519	631	4,906	529	544	616
- non-controlling interest	-	-	-	-	-	-	-	0	0
Earnings per share, SEK	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015
Continuing operations	2.34	2.72	4.53	1.92	2.33	1.98	1.95	1.62	1.80
Discontinuing operations	0.00	0.00	0.00	0.00	0.00	16.12	0.00	0.38	0.48
Group, total	2.34	2.72	4.53	1.92	2.33	18.10	1.95	2.00	2.28
Continuing operations, excluding items affecting comparability	2.47	2.92	3.12	2.23	2.46	2.31	2.23	1.84	2.07

Acquisitions

Carrying amounts of identifiable acquired assets and assumed liabilities

First nine months of 2017

Trelleborg Sealing Solutions signed an agreement and finalized the acquisition of the privately owned U.S.-based Carolina Seal Inc during the first quarter. The business specializes in the distribution of polymer seals such as O-rings, hydraulic seals and specialty kitting. The largest market segment is in transportation equipment, including the fast-growing sub-segment for transportation of chemicals. In addition, final settlement of earlier acquisitions was conducted.

Certain adjustments were also made to acquisition analyses attributable to acquisitions in 2016.

First nine months of 2016

On May 31, 2016, Trelleborg finalized the acquisition of 100 percent of the shares in CGS Holding a.s., a privately owned company with leading positions in agricultural, industrial and specialty tires as well as engineered polymer solutions. CGS Holding includes the businesses Mitas, Rubena and Savatech.

In addition to CGS, four other acquisitions were carried out during the first nine months.

- Loggers Rubberteknik B.V.
- Specialty Silicone Fabricators Inc.
- International Tyre and Wheel Solutions Ltd.
- Anderson Seal LLC

Acquisitions, SEK M	Acquired 2017 9M 2017			Adjustm. to acquisitions 2016 9M 2017			Acquisitions 2016 9M 2016		
	Book value	Adjustment to fair value	Fair value	Book value	Adjustment to fair value	Fair value	Book value	Adjustment to fair value	Fair value
Developed technology ¹								244	244
Trademarks ²					-158	-158	5	1,296	1,301
Customer relationships ³		30	30		53	53		1,567	1,567
Other intangible assets				1		1	15		15
Property, plant and equipment	2		2				2,591	-160	2,431
Deferred tax assets				-1		-1	58		58
Shares in associated companies				-23		-23	67		67
Interest-bearing receivables							14		14
Inventories	8		8	6		6	974		974
Operating receivables	8		8				1,836		1,836
Current tax asset				2		2	34		34
Cash and cash equivalents	3		3				386		386
Deferred tax liabilities				13	-12	1	-46	-394	-440
Interest-bearing liabilities							-13		-13
Post employment benefits				-2		-2	-31		-31
Provision obligations							-112		-112
Current tax liability							-100		-100
Operating liabilities	-3		-3				-1,589		-1,589
Net assets	18	30	48	-4	-117	-121	4,089	2,553	6,642
Goodwill			61			118			5,851
Total purchase price			109			-3			12,493
Cash and other net debt in acquired operations			-3						-389
Impact shown in cash flow statement			106			-3			12,104

¹ Excess value of developed technology is amortized over 10 years.

² The majority have an indefinite useful life, no amortization takes place.

³ Excess value of customer relationships are amortized over 12-14 years.

The above goodwill for 2017 is attributable to acquired non-separable customer relationships and synergy effects expected after the acquisition. The fair value of acquired, identifiable, intangible assets is provisional pending final measurement of these assets.

Financial assets and liabilities measured at fair value

At September 30, 2017, SEK M	Derivatives valued at fair value in profit and loss		Derivatives used for hedging purposes		Total
	Carrying amount	Measurement level	Carrying amount	Measurement level	
Other financial non-current assets	3		5	2	8
Accounts receivable and other receivables	4	2	69	2	73
Current interest-bearing receivables	36	2	43	2	79
Total assets	43		117		160
Other non-current liabilities	-		122	2	122
Interest-bearing non-current liabilities	19	2	-		19
Accounts payable and other liabilities	3	2	64	2	67
Interest-bearing current liabilities	74	2	43	2	117
Total liabilities	96		229		325

At September 30, 2016, SEK M	Derivatives valued at fair value in profit and loss		Derivatives used for hedging purposes		Total
	Carrying amount	Measurement level	Carrying amount	Measurement level	
Accounts receivable and other receivables	7	2	24	2	31
Current interest-bearing receivables	176	2	-	2	176
Total assets	183		24		207
Other non-current liabilities	-		214	2	214
Interest-bearing non-current liabilities	23	2	-		23
Accounts payable and other liabilities	11	2	117	2	128
Interest-bearing current liabilities	65	2	201	2	266
Total liabilities	99		532		631

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

The majority of the Group's loans carry a variable interest rate, meaning that the carrying amount of the total loan liability is considered to represent a good estimation of the fair value due to the short maturity. For other financial instruments the recognized amounts are also deemed to correspond to their fair value.

The outstanding receivable of approximately SEK 224 M, related to Vibracoustic's realized sales development in 2017, has been classified in accordance with level 3 of the fair value hierarchy due to inputs derived from unobservable market data, including the counterparty's credit risk.

Parent Company

Income statements, SEK M	Q3 2017	Q3 2016	9M 2017	9M 2016	R12 2017	12M 2016
Administrative expenses	-61	-69	-208	-209	-312	-313
Other operating income	52	41	399	322	554	477
Other operating expenses	-19	-16	-58	-51	-316	-309
EBIT	-28	-44	133	62	-74	-145
Financial income and expenses	606	49	904	8	623	-273
Profit before tax	578	5	1,037	70	549	-418
Appropriations	-	-	-	-	450	450
Tax	34	34	48	60	22	34
Net profit	612	39	1,085	130	1,021	66

Statements of comprehensive income, SEK M	Q3 2017	Q3 2016	9M 2017	9M 2016	R12 2017	12M 2016
Net profit	612	39	1,085	130	1,021	66
Total comprehensive income	612	39	1,085	130	1,021	66

Balance sheets, SEK M	Sep 30 2017	Sep 30 2016	Dec 31 2016
Property, plant and equipment	15	17	16
Intangible assets	9	2	2
Financial assets	35,568	35,674	35,533
Total non-current assets	35,592	35,693	35,551
Current receivables	73	160	130
Current tax asset	1	2	-
Interest-bearing receivables	1	1	556
Cash and cash equivalents	-	0	0
Total current assets	75	163	686
Total assets	35,667	35,856	36,237
Equity	10,244	10,375	10,311
Interest-bearing non-current liabilities	4,374	4,374	4,374
Other non-current liabilities	22	22	24
Total non-current liabilities	4,396	4,396	4,398
Interest-bearing current liabilities	20,865	20,946	21,374
Other current liabilities	162	139	154
Total current liabilities	21,027	21,085	21,528
Total equity and liabilities	35,667	35,856	36,237

Financial definitions

Trelleborg uses the following alternative performance measures relating to its financial position, return on shareholders' equity and capital employed, net debt, debt/equity ratio and equity/assets ratio. The Group believes that these performance measures can be utilized by users of the financial statements as a supplement in assessing the possibility of dividends, making strategic investments and assessing the Group's ability to meet its financial commitments. Trelleborg also uses the cash flow metrics of operating cash flow and free cash flow to provide an indication of the funds generated by the operations in order to conduct strategic investments, carry out amortizations and generate a return for its shareholders. Trelleborg uses the performance metrics of EBITDA, EBITA and EBIT excluding items affecting comparability, which the Group considers to be relevant for investors seeking to understand its earnings generation before items affecting comparability. The Group defines its key figures as follows.

Capital employed Total assets less interest-bearing financial assets and non-interest-bearing operating liabilities (including pension liabilities) and excluding tax assets and tax liabilities¹.

Cash conversion ratio Operating cash flow as a percentage of EBIT.

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

Discontinuing operations Profit from discontinuing operations is recognized net in the consolidated income statement under the item "Net profit in discontinuing operations".

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

EBIT Operating profit including items affecting comparability.

EBIT, excluding items affecting comparability Operating profit excluding items affecting comparability.

EBIT margin excluding items affecting comparability, % EBIT excluding items affecting comparability as a percentage of net sales.

EBITA Operating profit excluding amortization and impairment of intangible assets and excluding items affecting comparability.

EBITA margin, % EBITA as a percentage of net sales.

EBITDA Operating profit excluding depreciation and impairment of PPE and amortization and impairment of intangible assets and excluding items affecting comparability.

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

Equity method Shares in associated companies and joint ventures are recognized according to the equity method, in which the initial participation is adjusted to reflect the Group's participation in the profit of the company and any dividends.

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

Items affecting comparability The total of the restructuring costs approved by the Board of Directors and major non-recurring items.

Net debt Interest-bearing liabilities less interest-bearing assets and cash and cash equivalents¹.

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. In the key figure, cash flow from items affecting comparability is excluded.

Organic growth The sales growth in comparable exchange rates that is generated by the Group itself on its own merits and in the existing structure. An acquisition is reported only as organic growth if it is included in an equal number of months in the current period and the corresponding period of the previous year. Otherwise, it is reported as structural growth.

Pro forma Pro forma calculations include total Group consolidation from the most recent 12-month period plus acquisitions and divestments in order to reflect current continuing operations.

Return on capital employed, % EBIT divided by the average capital employed.

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.

¹The remaining receivable for the divestment of Vibracoustic is recognized as a financial receivable and thus impacts the Group's net debt.

Glossary

OEM (Original Equipment Manufacturer) A company that manufactures an end-product that can be sold on the open market. The product often consists of a combination of proprietarily manufactured and purchased components from suppliers that are assembled by the OEM company to make the final product.

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.

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 that seal, damp and protect critical applications in demanding environments. Our innovative solutions accelerate performance for customers in a sustainable way.

Business concept

Trelleborg's business concept is to seal, damp and protect in demanding industrial environments.

Strategy

Trelleborg's strategy is to secure leading positions in selected segments. This means that Trelleborg seeks segments, niches and product categories that – by virtue of the Group's market insights, core competencies and offering of advanced products and solutions – provide market leadership. In this manner, long-term shareholder value and added value are generated for customers. Trelleborg works with the strategy, both Group-wide and in the business areas, supported by four strategic cornerstones that – individually and in combination – underpin the strategy. The strategic cornerstones are: Geographic balance, Portfolio optimization, Structural improvements 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:

Business area/Segment distribution	General industry					Capital intensive industry	Light Vehicles
	Oil & gas	Transport equipment	Agriculture	Infrastructure construction	Aerospace		
Trelleborg Coated Systems	80%	2%			16%	18%	2%
Trelleborg Industrial Solutions	56%	3%		12%		34%	10%
Trelleborg Offshore & Construction		51%		49%		100%	
Trelleborg Sealing Solutions	47%	2%	7%	3%	15%	27%	26%
Trelleborg Wheel Systems			43%	57%		100%	
Rubena Savatech	89%		4%			4%	7%
Total	36%	7%	17%	16%	8%	54%	10%

Net sales per market segment and business area based on Annual accounts 2016, including a proforma calculation on acquisitions carried out in 2016.

The Trelleborg Group's operations

Continuing operations

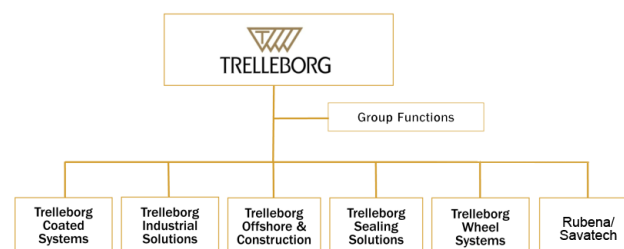
Refers to operations within Trelleborg's five business areas: Trelleborg Coated Systems, Trelleborg Industrial Solutions, Trelleborg Offshore & Construction, Trelleborg Sealing Solutions and Trelleborg Wheel Systems, as well as the Rubena Savatech operation. In addition, it includes central staff functions.

Discontinuing operations

Refers generally to operations that have been discontinued or are in the process of being divested. The joint venture Vibracoustic's historical comparative figures are included here, for example.

Group in total

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



Invitation to a presentation and telephone conference on October 27 at 10:30 a.m. CET

A presentation and telephone conference will be held on October 27 at 10:30 a.m. CET. The presentation will take place at Operaterrassen in Stockholm, Sweden. To participate in the telephone conference, call +46 (0) 566 426 99 (Sweden), +44 203 008 9813 (U.K.) or +1 855 831 5945 (U.S.). Code: "Trelleborg". The conference will also be broadcast on the Internet in real time. Visit our website www.trelleborg.com for the Internet link and presentation materials

Financial calendar

Year-end report 2017
Annual Report 2017
Interim report January-March 2018
Annual General Meeting 2018 (Trelleborg)
Interim report April-June 2018
Interim report July-September 2017

February 2, 2018
Week starting March 19, 2018
April 25, 2018
April 25, 2018
July 20, 2018
October 24, 2018

For further information

Investors/analysts

Christofer Sjögren, VP Investor Relations
Phone: +46 (0)410 - 670 68
Mobile: +46 (0)708 - 66 51 40
E-post: christofer.sjogren@trelleborg.com

Media

Karin Larsson, VP Media Relations
Phone: +46 (0)410 - 670 15
Mobile: +46 (0)733 - 74 70 15
E-post: karin.larsson@trelleborg.com

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.



Trelleborg AB (publ) Corp. Reg. No. 556006-3421
PO Box 153, SE-231 22 Trelleborg, Sweden. Phone: +46 (0)410-670 00 www.trelleborg.com

This report contains forward-looking statements that are based on the current expectations of the management of Trelleborg. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

This information is information that Trelleborg AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 07:45 a.m. CET on October 27, 2017.

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