



Press release

Trelleborg, December 3, 2008

Prior to Trelleborg's Capital Markets Day in Stockholm:

Trelleborg reiterates long-term strategic approach, currently focusing on cash flow and adjustments to the prevailing market situation.

"We have an increasingly focused and profitable operation within large segments of our business and we are convinced that we will emerge strengthened from the slowdown that we are currently experiencing in many markets. At the same time, demand within Energy and Infrastructure, for example, remains strong," says Trelleborg's CEO Peter Nilsson prior to the Group's Capital Markets Day in Stockholm today.

The slowdown that was indicated in the outlook for the fourth quarter is now clearly noticeable and the Group is preparing itself for a challenging market situation in 2009. However, the trend varies within different segments. The exceptional downturn in the car industry continues. To adapt capacity to the decline in demand, Trelleborg Automotive has had a program in progress since 2006. Combined with further cutbacks, Trelleborg expects that the number of employees within Trelleborg Automotive is decreasing by approximately 2,400 (about 25%) in 2008 and 2009. These continuous adjustments will be made on an ongoing basis, with a pay back time period of less than one year.

The adaptations to the prevailing market situation will mean that the number of employees will decline by more than 10 percent in 2008 and 2009 in total for the Trelleborg Group.

At the same time, the downturn is creating opportunities for improved market positions for Trelleborg, which can take advantage of its strength as a global, market-leading player. Short-term focus will be on cash flow and defending profitability and margins. The clear downward trend for the company's raw material costs is having a slightly delayed effect and will generate opportunities in 2009.

Trelleborg's comprehensive long-term strategy for creating value is established and developing in a satisfactory manner. The strategy builds on products and solutions that seal, damp and protect and aim at creating leading positions in well selected, attractive and profitable segments. There is a continuous shift toward these segments and recent years have entailed strengthened positions in growing segments in offshore oil and gas extraction, infrastructure and selected industrial segments.

The Group has a history of substantial cash generation and stable finances. Most of the long-term financing, the base of which is comprised of a syndicated loan, stretches to 2012 and SEK 6.2 billion had not been utilized by the end of the third quarter.

Trelleborg is also reiterating its financial targets over an economic cycle as well as the dividend policy, which means that the dividend shall amount to 30-50 percent of the year's net income.

In conjunction with the ongoing competition investigations involving two of Trelleborg's subsidiaries in France and the US, Trelleborg continues to assist the authorities in their investigations and to take the necessary action. Previously communicated information and assessments regarding potential effects on the Trelleborg Group apply. Trelleborg continues to await the authorities' decision.



Demand within Trelleborg Engineered Systems varies between the business area's different market segments. In certain industrial segments and construction-related operations, the development is challenging, while demand in offshore oil/gas remains strong. Trelleborg has recently secured two major orders in this segment at a total value of about SEK 450 M. Both concern Trelline, a unique system for the transportation of oil in offshore extraction.

Trelleborg Sealing Solutions foresees weaker demand within several segments, primarily the automotive industry, in which, however, the business has been focused on selected, more profitable segments. The order logs remain strong in the aerospace industry and new programs from aircraft manufacturers, for which Trelleborg is a specified supplier, lead the business area to expect growth within this segment. The business area also expects growth within such segments as alternative energy sources and life science.

The Trelleborg Wheel Systems business area continues to develop favorably. The market for tractor tires continues to develop toward increasingly larger tires, in which Trelleborg has an extremely strong position and the business area is capturing market share. In line with the downturn in the global industry, a downturn is expected in the market for solid industrial tires. However, this segment will benefit from the long-term structural growth connected with increased global trade.

Trelleborg is organizing a Capital Markets Day in Stockholm. The presentations will commence at 1:00 p.m. and will be posted on www.trelleborg.com, "Presentations" at the end of the Capital Markets Day.

Trelleborg is a global industrial group whose leading positions are based on advanced polymer technology and in-depth applications know-how. Trelleborg develops high-performance solutions that seal, damp and protect in demanding industrial environments. The Trelleborg Group had annual sales 2007 of approximately SEK 31 billion, with about 25,000 employees in 40 countries. The Group comprises four business areas: Trelleborg Engineered Systems, Trelleborg Automotive, Trelleborg Sealing Solutions and Trelleborg Wheel Systems. The Trelleborg share has been listed on the Stockholm Stock Exchange since 1964 and is listed on the OMX Nordic List, large cap.
www.trelleborg.com

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