

# Good start to the year

- Net sales for the first quarter of 2014 increased by 4 percent (decrease: 6) and totaled SEK 5,594 M (5,394). Organic sales increased by 2 percent (decrease: 5). Effects of structural changes represented positive growth of approximately 1 percent (4) while the effects of exchange-rate movements were a positive 1 percent (neg: 5).
- Operating profit, excluding the participation in TrelleborgVibracoustic and items affecting comparability, rose by 22 percent to SEK 779 M (639), equivalent to an operating margin of 13.9 percent (11.8), the Group's highest ever for a single quarter.
- Items affecting comparability amounted to an expense of SEK 18 M (expense: 37), which was fully attributable to previously announced restructuring programs.
- Operating profit in the quarter for TrelleborgVibracoustic, excluding items affecting comparability, rose 38 percent to EUR 39 M (28), corresponding to an operating margin of 8.6 percent (6.6).
- Trelleborg's participation in TrelleborgVibracoustic, including negative items affecting comparability of SEK 27 M (neg: 11), amounted to SEK 133 M before tax (110).
- Earnings per share rose 27 percent to SEK 2.29 (1.81).
- Operating cash flow amounted to SEK 367 M (1).

SEK M	Q1 2014	Q1 2013	Change, %	R12 2014	12M 2013
Net sales	5,594	5,394	4	21,673	21,473
Organic sales, %	2	-5			1
Operating profit excl. participation in TrelleborgVibracoustic and items affecting comparability	779	639	22	2,753	2,613
Operating margin, %	13.9	11.8		12.7	12.2
Profit share in TrelleborgVibracoustic	133	110	21	378	355
Items affecting comparability	-18	-37		-391	-410
Operating profit	894	712	26	2,740	2,558
Profit before tax	860	670	28	2,551	2,361
Taxes	-237	-179	-32	-763	-705
Net profit in discontinued operations <sup>1)</sup>	-	-		-39	-39
Net profit	623	491	27	1,749	1,617
Earnings per share, SEK	2.29	1.81	27	6.41	5.93
Earnings per share in continuing operations, SEK	2.29	1.81	27	6.56	6.08
Operating cash flow	367	1		2,528	2,162

<sup>1)</sup> As from the first quarter in 2014 profit from discontinued operations is reported net on the line "Net profit in discontinued operations".

# “Good start to the year”

*“The first quarter was a good one for Trelleborg. Once again, both operating profit and operating margin set new all-time records, reaching the highest levels ever for the Group in a single quarter. The Group reported organic sales growth of 2 percent, with variation among our business areas.*

*“We can see that our cost and capital-efficiency programs are continuing to yield favorable results, and the integration and development of our acquired companies are progressing satisfactorily.*

*“Efforts to generate growth via organic initiatives and bolt-on acquisitions are ongoing. We are also focusing intently on making it easy for customers to do business with us. To succeed in this endeavor, we must be innovative and at the forefront in terms of the use of new technologies in our interaction with customers. Combined with a focus on innovation in several dimensions, this forms the basis for increased value creation and our position as a premium partner to our customers.*

*“The market outlook remains difficult to predict. As yet, we have not received any indication of a general improvement in the demand situation. For the second quarter, our overall assessment is that demand will be on par with the first quarter of the year. We are continuing to carefully monitor the economic developments and are maintaining high preparedness to address fluctuating market conditions.”*

*Peter Nilsson,  
President and CEO*

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## Market outlook for the second quarter of 2014

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

### **Market outlook from the interim report published on February 13, 2014, relating to the first quarter of 2014**

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

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# First quarter 2014

## Net sales

SEK M, growth, %	Q1 2014	Q1 2013	R12 2014	12M 2013
Net sales	5,594	5,394	21,673	21,473
Change total, %	4	-6		1
Organic sales, %	2	-5		1
Structural change, %	1	4		4
Currency effects, %	1	-5		-4

Net sales for the first quarter of 2014 rose 4 percent (decline: 6) compared with the year-earlier period and amounted to SEK 5,594 M (5,394).

The business areas Trelleborg Industrial Solutions, Trelleborg Offshore & Construction and Trelleborg Sealing Solutions reported positive organic sales growth, while the trend for Trelleborg Coated Systems and Trelleborg Wheel Systems was slightly negative organically. The organic sales trend for Europe as a whole was down 1 percent, partially

impacted by lower project deliveries. In North America, organic sales rose about 2 percent, while in South America the trend was a negative 2 percent. In Asia and the rest of the world, organic sales increased by nearly 18 percent due to robust growth in several geographic markets.

Acquired operations contributed growth of 1 percent.

## Result

SEK M	Q1 2014	Q1 2013	Change, %	R12 2014	12M 2013
Operating profit excl. participation in TrelleborgVibracoustic and items affecting comparability	779	639	22	2,753	2,613
Operating margin, %	13.9	11.8		12.7	12.2
Items affecting comparability	-18	-37		-236	-255
One off items	-	-		-155	-155
Total items affecting comparability	-18	-37		-391	-410
Profit share in TrelleborgVibracoustic	133	110	21	378	355
Operating profit	894	712	26	2,740	2,558
Profit before tax	860	670	28	2,551	2,361
Net profit	623	491	27	1,749	1,617

Operating profit excluding participation in TrelleborgVibracoustic and items affecting comparability amounted to SEK 779 M (639), representing a year-on-year increase of 22 percent. Continued improved cost efficiency and higher sales yielded a positive impact on profit. Acquired operations made a positive contribution to the earnings trend, including the anticipated synergy effects. The operating margin was strengthened and amounted to 13.9 percent (11.8), which is the highest margin on record for the Group for a single quarter. All business areas noted improved operating margins compared with the year-earlier period, except for Trelleborg Coated Systems, which was on a par with the preceding year.

Exchange-rate effects upon the translation of foreign subsidiaries had a positive impact of SEK 12 M (neg: 36) on earnings compared with the year-earlier period.

The quarter was charged with items affecting comparability of negative SEK 18 M (neg: 37), which is entirely

attributable to the previously communicated restructuring programs. Full-year 2013 included a non-recurring expense totaling SEK 155 M associated with process and dispute costs.

Trelleborg's participation in TrelleborgVibracoustic is included in operating profit in accordance with the equity method. The participation including items affecting comparability was SEK 133 M before tax (110).

Operating profit for the quarter, including the participation in TrelleborgVibracoustic and items affecting comparability, amounted to SEK 894 M (712), representing an increase of 26 percent.

The net financial expense was SEK 34 M (expense: 42), corresponding to an average rate of interest of 2.4 percent (3.0).

Net profit was SEK 623 M (491). Excluding TrelleborgVibracoustic, the tax rate was 26 percent (27).

## Operating cash flow

SEK M	Q1 2014	Q1 2013	Change, %	R12 2014	12M 2013
EBITDA, operating profit before depreciation	943	809	17	3,431	3,297
Capital expenditure	-140	-149	6	-913	-922
Sold non-current assets	2	1	100	14	13
Change in working capital	-437	-658	34	-3	-224
Non cash-flow affecting items	-1	-2	50	-1	-2
<b>Operating cash flow</b>	<b>367</b>	<b>1</b>		<b>2,528</b>	<b>2,162</b>
Cash impact from items affecting comparability	-34	-27		-359	-352
Dividend - non-controlling interest	-	0		0	0
Financial items	-64	-102		-220	-258
Paid tax	-124	-131		-580	-587
<b>Free cash flow</b>	<b>145</b>	<b>-259</b>	156	<b>1,369</b>	<b>965</b>
Acquisitions	-153	-131		-256	-234
Discontinued operations	-	-		-19	-19
Dividend - equity holders of the parent company	-	-		-813	-813
<b>Sum net cash flow</b>	<b>-8</b>	<b>-390</b>	98	<b>281</b>	<b>-101</b>

The improved operating result and efficient management of working capital contributed to a healthy operating cash flow of SEK 367 M (1). All business areas reported satisfactory cash flows for the quarter. The rolling 12-month cash conversion ratio was 92 percent (100).

Free cash flow for the quarter was higher than in the year-earlier period, primarily due to the improved operating cash flow. Financial items in the first quarter of 2013 were negatively impacted by a number of interest-rate swaps.

## Net debt

Change in net debt, SEK M	Q1 2014	Q1 2013	12M 2013
Net debt, opening balance	-5,637	-5,360	-5,360
Net cash flow for the period	-8	-390	-101
Exchange rate differences	-4	162	-176
Net debt, closing balance	<b>-5,649</b>	<b>-5,588</b>	<b>-5,637</b>
Debt/equity ratio, %	36	39	38
Net Debt/EBITDA excl items affecting comparability	1.5	1.7	1.5
Net Debt/EBITDA incl items affecting comparability	1.6	1.7	1.7
Net Debt/EBITDA Total Group incl discontinued operations	1.7	1.5	1.7

Net debt increased by SEK 12 M to SEK 5,649 M during the quarter. The impact of translation differences in the quarter was marginal. The debt/equity ratio was 36 percent (39).

Net debt in relation to EBITDA for continuing operations, excluding items affecting comparability, was 1.5 (1.7). Net debt in relation to EBITDA for the Group in total was 1.7 (1.5).

## Return on capital employed

%	R12 2014	R12 2013	12M 2013
Return on capital employed excl items affecting comparability <sup>1)</sup>	15.8	13.8	15.2
Return on capital employed incl items affecting comparability <sup>1)</sup>	13.7	13.8	12.9

<sup>1)</sup> Excluding participations in TrelleborgVibracoustic.

Capital employed increased year-on-year to SEK 17,782 M (16,728), excluding participation in TrelleborgVibracoustic. The positive result impacted the return on capital employed

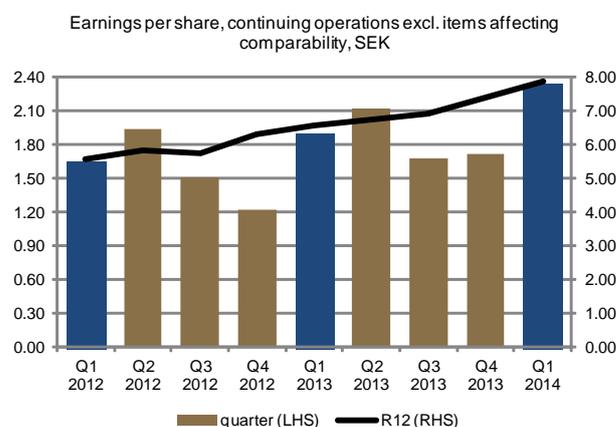
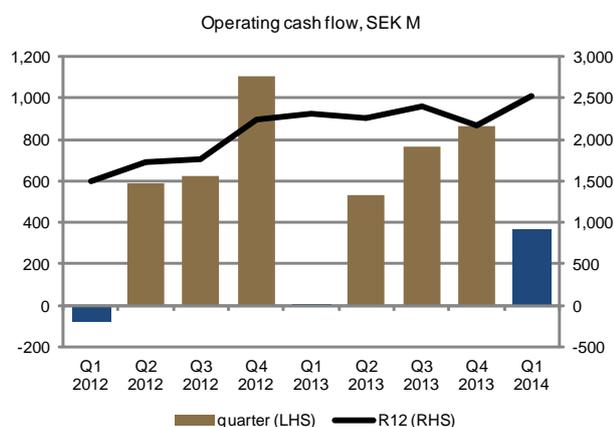
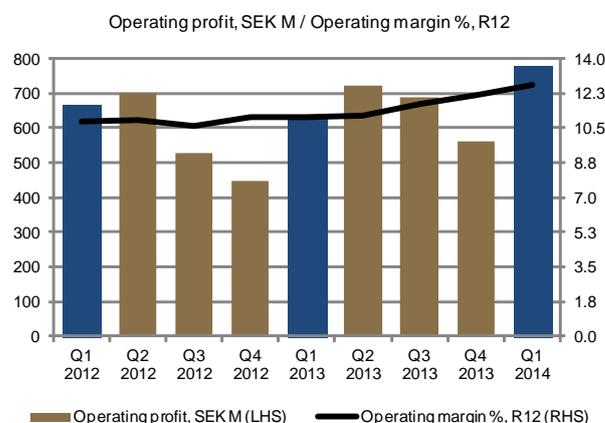
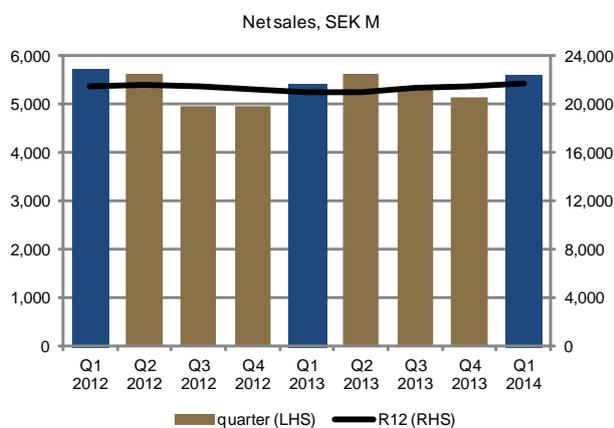
excluding items affecting comparability, which increased to 15.8 percent (13.8), the highest rate of return to date for the Group.

## Return on equity

%	R12 2014	R12 2013	12M 2013
Return on equity excl items affecting comparability	14.3	12.9	13.9
Return on equity incl items affecting comparability	12.0	13.3	11.4
Total Group incl discontinued operations	11.7	14.8	11.2

Shareholders' equity for the Group at the close of the period amounted to SEK 15,502 M (14,155), excluding non-controlling interests. Equity per share amounted to SEK 57 (52).

The equity/asset ratio was 55 percent (52). The return on shareholders' equity was 11.7 percent (14.8).



## Significant events during the quarter

### Press releases

#### [Acquisition of 51-percent stake in pipe seal company.](#)

Trelleborg Industrial Solutions signed and finalized the acquisition of 51-percent stake in the North American group Max Seal. Pursuant to specific terms and conditions of the agreement, Trelleborg has an option and intends to acquire the outstanding share in the company. Max Seal develops and manufactures polymer-based sealing systems for various types of pipes deployed in water and wastewater systems. The business transaction will create a leading position in North America, while complementing Trelleborg's existing range and presence in the U.S. It will also provide access to the rapidly growing markets in Latin America. The business has its main facility in Tijuana, Mexico, and a sales company in the U.S. Net sales in 2013 amounted to approximately SEK 80 M. The acquisition, which was fully consolidated on March 1, 2014, is part of Trelleborg's strategy to strengthen its positions in attractive and profitable market segments.

The acquisition is not considered to have a material impact on the Group's sales and earnings.

### Other

[Star for Life.](#) Trelleborg, in its capacity as a partner, participated in the inauguration of the Star for Life school program in Colombo, Sri Lanka. The idea behind the initiative is to inspire young people to believe in their future and their dreams. The program is conducted in periods spanning three years in selected schools. A head coach and other staff from Star for Life train school personnel to continue the work once the program has been completed.

## Significant events after the close of the period

[Acquisition of industrial hose company.](#) Trelleborg Industrial Solutions signed an agreement to acquire the privately owned 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 consolidates Trelleborg's market-leading position in industrial hoses. The business has manufacturing facilities in Turkey and sales offices in Austria and the U.K. Sales are global and amounted to approximately SEK 400 M in 2013. The transaction forms part of Trelleborg's strategy to strengthen its positions in selected attractive market segments.

The acquisition is not considered to have a material impact on the Group's sales and earnings.

## Risk management

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

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

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

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

***New and amended standards applied from January 1, 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 not been subject to special review by the company's auditors.*

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Trelleborg, April 23, 2014  
Board of Directors of Trelleborg AB (publ)

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# Trelleborg

BUSINESS AREA

# Coated Systems

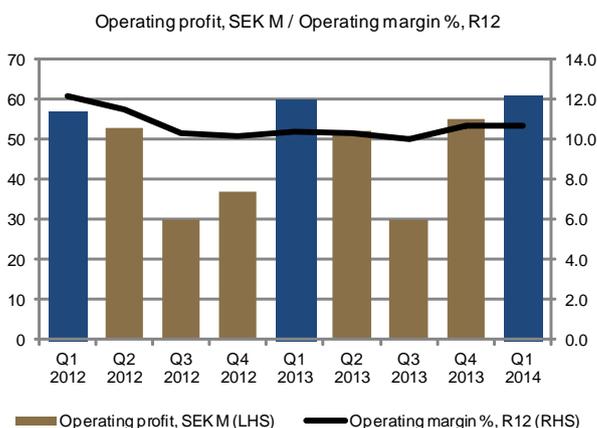
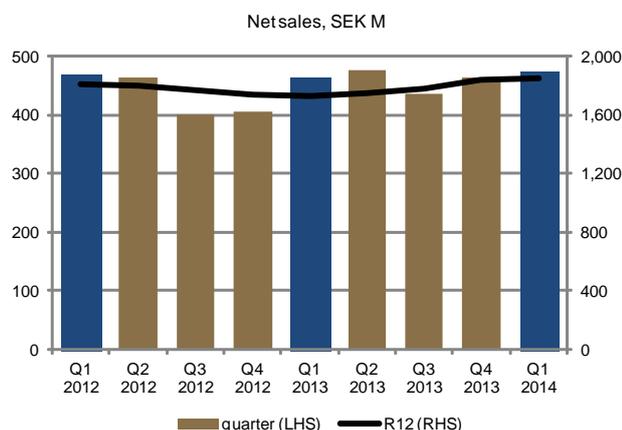
Trelleborg Coated Systems is a leading global supplier of unique customer solutions for polymer-coated fabrics deployed in several industrial applications.

Excluding items affecting comparability, SEK M	Q1 2014	Q1 2013	Change, %	R12 2014	12M 2013
Net sales	473	463	2	1,849	1,839
Change total, %	2	-1			6
Organic sales, %	-3	-6			-2
Structural change, %	4	9			12
Currency effects, %	1	-4			-4
Operating profit	61	60	2	198	197
Operating margin, %	13.0	13.0		10.7	10.7

Additional key ratios on pages 18 - 19

Organic sales for the quarter declined 3 percent year-on-year. Organic sales for coated fabrics were on a par with the preceding year, where a slightly weaker trend in North America was offset by growth in Europe. Printing blankets noted positive organic sales predominantly in Asia, but reported continued weak market conditions in North America and Europe. The effects of structural changes of 4 percent were related to the acquired Brazilian manufacturer of printing blankets, the operation was fully integrated during March 2013.

Higher sales combined with ongoing efficiency-enhancement measures in both Europe and North America and the favorable effect of completed acquisitions positively impacted operating profit. More stable production from the solventless roller head line for printing blankets in Italy contributed to the recovery of the operating margin. Exchange-rate effects from the translation of foreign subsidiaries had only a marginal impact on earnings.





**Trelleborg Industrial Solutions is a market leader 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	Q1 2014	Q1 2013	Change, %	R12 2014	12M 2013
Net sales	1,181	1,142	3	4,617	4,578
Change total, %	3	-9			-2
Organic sales, %	1	-5			0
Structural change, %	0	-			-
Currency effects, %	2	-4			-2
Operating profit	117	102	15	447	432
Operating margin, %	9.9	8.9		9.7	9.4

Additional key ratios on pages 18 - 19

Organic sales for the quarter increased 1 percent year-on-year. Sales were impacted by fewer project deliveries in the general industry market segment. The transportation equipment and light vehicles market segments reported positive organic sales. Europe reported a slightly negative organic sales trend, although this was offset by improved sales in North America and the rest of the world.

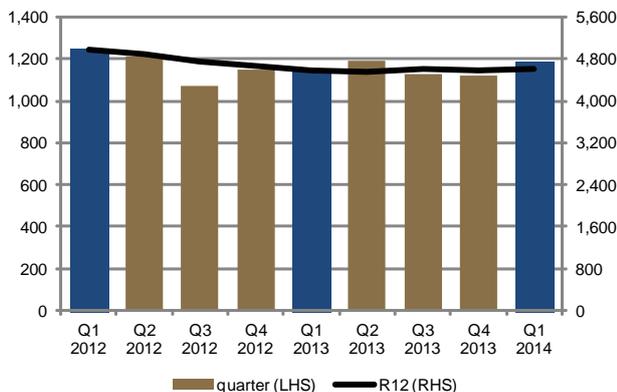
Operating profit and operating margin improved compared with the year-earlier period, due primarily to enhanced market positions, effective cost control and the continued positive effect of previously communicated

restructuring programs. Exchange-rate effects from the translation of foreign subsidiaries had only a marginal negative impact on earnings.

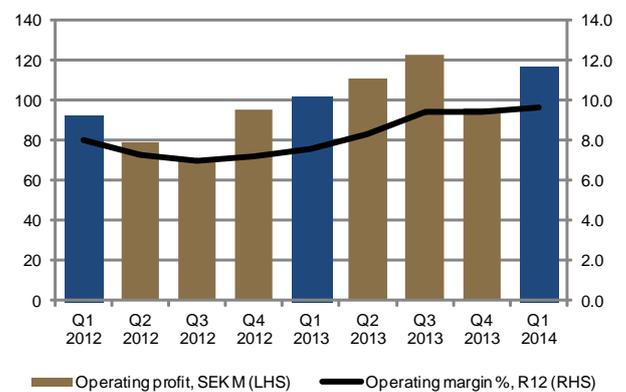
During the quarter, the business area signed and finalized the acquisition of a 51-percent stake in a manufacturer of sealing systems; refer to page 6.

After the close of the period, the business area signed an agreement to acquire an industrial hose company; refer to page 6.

Netsales, SEK M



Operating profit, SEK M / Operating margin %, R12





# 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	Q1 2014	Q1 2013	Change, %	R12 2014	12M 2013
Net sales	859	856	0	3,590	3,587
Change total, %	0	-5			-2
Organic sales, %	3	-5			0
Structural change, %	-2	5			4
Currency effects, %	-1	-5			-6
Operating profit	64	47	36	291	274
Operating margin, %	7.4	5.5		8.1	7.6

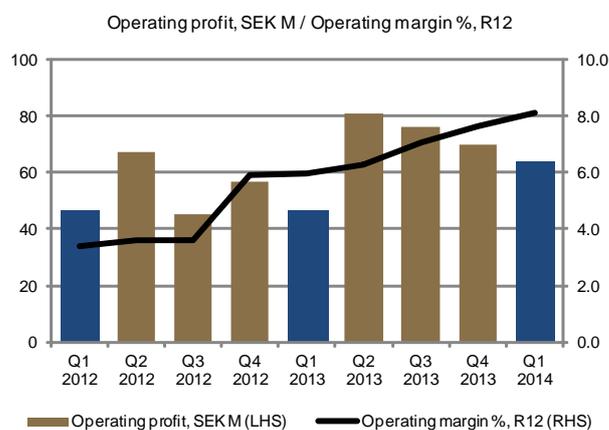
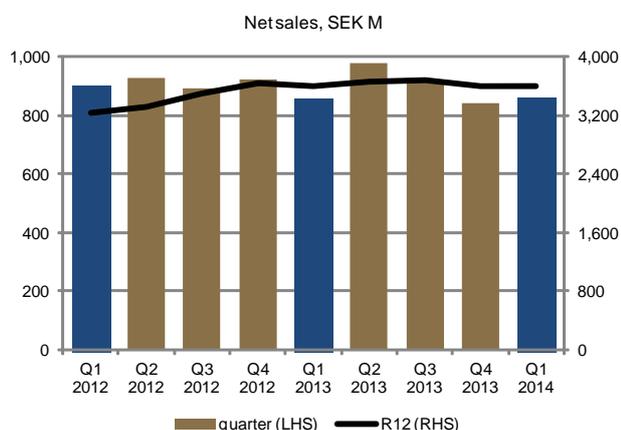
Additional key ratios on pages 18 - 19

Organic sales for the quarter increased 3 percent year-on-year. A strong finish to the quarter offset the weak start. Market activity in the offshore oil/gas and infrastructure segments remained favorable.

Operating profit and operating margin rose compared with the year-earlier period, due mainly to an enhanced sales mix and cost efficiency. The two companies acquired in 2013, which are active in marine systems and offshore oil/gas, respectively, contributed positively to operating profit.

Exchange-rate effects from the translation of foreign subsidiaries had only a marginal impact on earnings.

The business area was awarded a number of supply contracts in offshore oil/gas and infrastructure: drill riser buoyancy modules (DRBMs) for a company in [Korea](#), floatover technology for offshore platforms in [Northeast China](#), and fenders for a harbor in [Brunei](#).





**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	Q1 2014	Q1 2013	Change, %	R12 2014	12M 2013
Net sales	1,915	1,750	9	7,258	7,093
Change total, %	9	-11			-2
Organic sales, %	8	-7			1
Structural change, %	-	-			-
Currency effects, %	1	-4			-3
Operating profit	436	352	24	1,570	1,486
Operating margin, %	22.8	20.1		21.6	21.0

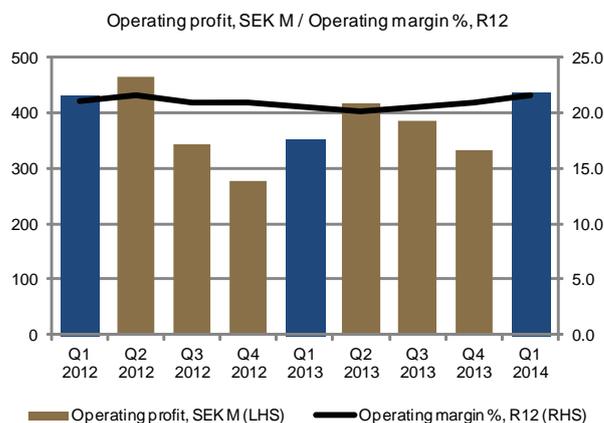
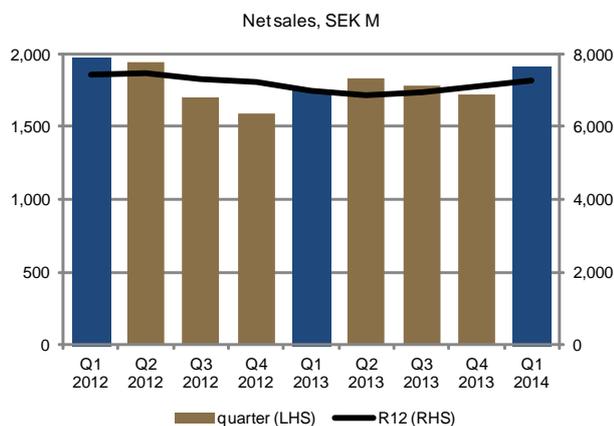
Additional key ratios on pages 18 - 19

Organic sales for the quarter increased 8 percent year-on-year. All geographic markets, except for South America, reported positive organic sales during the quarter. The positive development in Europe was attributable to a stronger recovery in Southern and Eastern Europe. Organic sales were mainly driven by deliveries to the automotive industry, but also by a satisfactory sales trend in general industry and aerospace. North America and Asia noted growth in the majority of market segments.

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

effective cost control. The operating margin reached the highest level to date for a first quarter. Exchange-rate effects from the translation of foreign subsidiaries had a positive impact of SEK 7 M on operating profit compared with the year-earlier period.

The business area is implementing a number of organic initiatives to strengthen its capacity and position in selected market segments and is retaining its focus on innovative applications and solutions, thereby helping to improve the businesses of customers.





**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	Q1 2014	Q1 2013	Change, %	R12 2014	12M 2013
Net sales	1,126	1,109	2	4,206	4,189
Change total, %	2	-2			8
Organic sales, %	-2	-7			-1
Structural change, %	3	10			13
Currency effects, %	1	-5			-4
Operating profit	148	144	3	494	490
Operating margin, %	13.1	13.0		11.7	11.7

Additional key ratios on pages 18 - 19

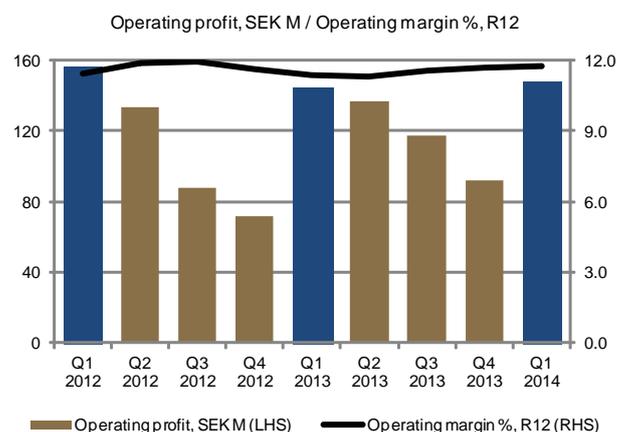
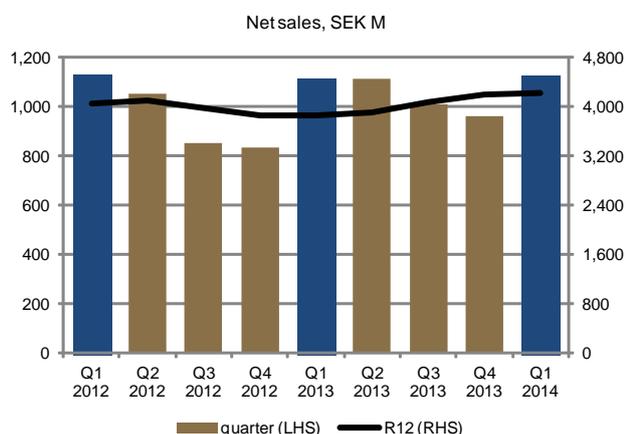
Organic sales for the quarter declined 2 percent year-on-year. Compared with the year-earlier period, agricultural tire sales were slightly lower in an environment where the underlying market trend for Original Equipment Manufacturer (OEMs) was significantly weaker. The decline in organic sales was partially offset by healthy aftermarket sales in Europe.

The sales trend for tires for materials handling vehicles remained weak during the quarter, particularly in Europe. However, North America also reported lower sales compared with the corresponding period in the preceding year.

Nevertheless, overall sales for the business area increased as a result of previously completed acquisitions.

Operating profit increased compared with the year-earlier period, primarily on account of efficient cost management. Earnings were also positively impacted by previously implemented acquisitions. Exchange-rate effects from the translation of foreign subsidiaries had only a marginal impact on earnings.

The business area is continuing to focus on innovative applications and solutions, thereby helping to improve the businesses of customers.





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.

<b>Excluding items affecting comparability, EUR M</b>	<b>Q1 2014</b>	<b>Q1 2013</b>	<b>Change, %</b>	<b>R12 2014</b>	<b>12M 2013</b>
Net sales	447	424	5	1,736	1,713
Change total, %	5	-3			5
Organic sales, %	9	1			6
Structural change, %	1	0			1
Currency effects, %	-5	-4			-2
Operating profit	39	28	38	135	125
Operating, margin %	8.6	6.6		7.8	7.3
Operating cashflow	21	-21		138	97
EBITDA	54	43	25	191	180
Capital employed, closing balance	475	517			445
Net debt, closing balance	77	191			73
Equity, closing balance	384	317			364

Organic sales for the quarter rose 9 percent year-on-year. While all geographic regions, except for South America, contributed to the healthy sales, it was Asia in particular that stood out with its strong growth figures. As a comparison, global automotive production is estimated to have increased by about 4 percent. Exchange-rate effects from the translation of foreign subsidiaries had a negative impact of 5 percent on sales.

Operating profit increased year-on-year, mainly due to higher volumes and favorable production efficiency. The operating margin was 8.6 percent, the highest level to date for

a single quarter. Exchange-rate effects from the translation of foreign subsidiaries had a negative impact of just over EUR 1 M on operating profit compared with the year-earlier period.

Operating cash flow improved compared with the corresponding period in 2013, mainly on account of efficient management of working capital.

During the quarter, restructuring projects aimed at enhancing competitiveness and future synergies in TrelleborgVibracoustic were initiated at manufacturing units in Spain and France.

# 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	Q1 2014	Q1 2013	Change, %	R12 2014	12M 2013
<i>Operating profit EUR M, see page 13</i>	39	28	38	135	125
Operating profit excl items affecting comparability	342	238	44	1,182	1,078
Acquisition related costs	-2	-5		-50	-54
Amortization of intangible assets <sup>1)</sup>	-14	-10		-42	-38
Restructuring items	-38	-7		-207	-176
Total items affecting comparability	-54	-22		-300	-268
Operating profit	288	216	34	882	810
Financial income and expenses	-21	4		-126	-101
Profit before tax	267	220	21	756	710
<i>Trelleborg share</i>	133	110		378	355
Tax	-92	-59		-269	-236
<i>Trelleborg share</i>	-46	-29		-135	-118
Net profit	175	162	8	487	474
<i>Trelleborg share</i>	87	81		244	237

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

The participation in profit including items affecting comparability amounted to SEK 133 M before tax (110). Of the total amount of items affecting comparability, negative SEK 27 M, meaning half, impacted the participation in profit.

Amortization of intangible assets amounted to SEK 14 M during the quarter. The increase from the levels in previous quarters was attributable to finalized acquisitions in accordance to the original agreement. This somewhat higher level of amortization of intangible assets is therefore expected to apply henceforth.

Financial income and expenses were negatively impacted by unrealized exchange-rate differences of approximately SEK 11 M, while the preceding year was affected by positive exchange-rate differences. The tax expense for the quarter includes certain non-recurring items related to 2013. The reported tax rate was 34 percent. The underlying tax rate for the quarter was 28 percent and is expected to be about 29 percent for the current year excluding non-recurring items.

## Financial statements

### Income Statements

SEK M	Q1 2014	Q1 2013	R12 2014	12M 2013
Net sales	5,594	5,394	21,673	21,473
Cost of goods sold	-3,606	-3,615	-14,158	-14,167
<b>Gross profit</b>	<b>1,988</b>	<b>1,779</b>	<b>7,515</b>	<b>7,306</b>
Selling expenses	-550	-518	-2,144	-2,112
Administrative expenses	-609	-580	-2,384	-2,355
Research and development costs	-85	-73	-321	-309
Other operating income/expenses	35	31	85	81
Profit from TrelleborgVibracoustic	133	110	378	355
Profit from associated companies	0	0	2	2
Items affecting comparability	-18	-37	-391	-410
<b>Operating profit</b>	<b>894</b>	<b>712</b>	<b>2,740</b>	<b>2,558</b>
Financial income and expenses	-34	-42	-189	-197
<b>Profit before tax</b>	<b>860</b>	<b>670</b>	<b>2,551</b>	<b>2,361</b>
Tax	-191	-150	-628	-587
Tax related to TrelleborgVibracoustic	-46	-29	-135	-118
<b>Total tax</b>	<b>-237</b>	<b>-179</b>	<b>-763</b>	<b>-705</b>
<b>Net profit in continuing operations</b>	<b>623</b>	<b>491</b>	<b>1,788</b>	<b>1,656</b>
Net profit from discontinuing operations	-	-	-39	-39
<b>Total net profit</b>	<b>623</b>	<b>491</b>	<b>1,749</b>	<b>1,617</b>
- equity holders of the parent company	621	489	1,741	1,609
- non-controlling interest	2	2	8	8
<b>Earnings per share, SEK</b>	<b>Q1 2014</b>	<b>Q1 2013</b>	<b>R12 2014</b>	<b>12M 2013</b>
Continuing operations	2.29	1.81	6.56	6.08
Discontinued operations	0.00	0.00	-0.15	-0.15
<b>Group, total</b>	<b>2.29</b>	<b>1.81</b>	<b>6.41</b>	<b>5.93</b>
Continuing operations, excluding items affecting comparability	2.34	1.90	7.84	7.40
<b>Number of shares</b>				
End of period	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

### Statements of comprehensive income

SEK M	Q1 2014	Q1 2013	R12 2014	12M 2013
<b>Total net profit</b>	<b>623</b>	<b>491</b>	<b>1,749</b>	<b>1,617</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to the income statement</b>				
Actuarial gains and losses	-	-4	23	19
	-	-4	23	19
<b>Items that may be reclassified to the income statement</b>				
Cash flow hedges	-10	5	50	65
Hedging of net investment	-23	319	-535	-193
Translation difference	77	-562	760	121
Income tax relating to components of other comprehensive income	4	-70	123	49
	48	-308	398	42
<b>Other comprehensive income, net of tax</b>	<b>48</b>	<b>-312</b>	<b>421</b>	<b>61</b>
<b>Total comprehensive income</b>	<b>671</b>	<b>179</b>	<b>2,170</b>	<b>1,678</b>

**Balance Sheets**

<b>Group</b>	<b>Mar 31</b>	<b>Mar 31</b>	<b>Dec 31</b>
<b>SEK M</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
Property, plant and equipment	5,167	4,801	5,141
Intangible assets	9,298	8,713	9,173
Shares in TrelleborgVibracoustic and associated companies	3,210	2,944	3,122
Other financial assets	843	997	869
<b>Total non-current assets</b>	<b>18,518</b>	<b>17,455</b>	<b>18,305</b>
Inventories	3,317	3,370	3,188
Current operating receivables	5,479	5,143	4,658
Current interest-bearing receivables	204	468	244
Cash and cash equivalents	1,000	652	893
<b>Total current assets</b>	<b>10,000</b>	<b>9,633</b>	<b>8,983</b>
<b>Total assets</b>	<b>28,518</b>	<b>27,088</b>	<b>27,288</b>
Equity holders of the parent company	15,502	14,155	14,833
Non-controlling interest	46	36	44
<b>Total equity</b>	<b>15,548</b>	<b>14,191</b>	<b>14,877</b>
Non-current interest-bearing liabilities	4,580	3,882	4,874
Other non-current liabilities	896	1,035	935
<b>Total non-current liabilities</b>	<b>5,476</b>	<b>4,917</b>	<b>5,809</b>
Interest-bearing current liabilities	2,399	3,032	2,023
Other current liabilities	5,095	4,948	4,579
<b>Total current liabilities</b>	<b>7,494</b>	<b>7,980</b>	<b>6,602</b>
<b>Total equity and liabilities</b>	<b>28,518</b>	<b>27,088</b>	<b>27,288</b>

<b>Specification of changes in equity</b>	<b>Mar 31</b>	<b>Mar 31</b>	<b>Dec 31</b>
<b>SEK M</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
<i>Attributable to equity holders of the parent company</i>			
Opening balance, January 1	14,833	13,977	13,977
Total comprehensive income	669	178	1,669
Dividend	-	-	-813
<b>Closing balance</b>	<b>15,502</b>	<b>14,155</b>	<b>14,833</b>
<i>Attributable to non-controlling interest</i>			
Opening balance, January 1	44	35	35
Total comprehensive income	2	1	9
Acquisition	-	-	-
Dividend	-	0	0
<b>Closing balance</b>	<b>46</b>	<b>36</b>	<b>44</b>
<b>Sum total equity, closing balance</b>	<b>15,548</b>	<b>14,191</b>	<b>14,877</b>

**Cash flow statements**

<b>Group, SEK M</b>	<b>Q1 2014</b>	<b>Q1 2013</b>	<b>R12 2014</b>	<b>12M 2013</b>
<b>Operating activities</b>				
Operating profit incl part in associated companies	894	712	2,740	2,558
Adjustments for items not included in cash flow:				
Depreciation, property, plant and equipment	152	155	608	611
Amortization, intangible assets	12	13	70	71
Impairment losses, property, plant and equipment	1	2	30	31
Impairment losses, intangible assets	-	0	0	0
Part in associated companies and other non cash-flow affecting items	-135	-112	-380	-357
Cash-flow effects from items affecting comparability	0	0	29	29
Interest received and other financial items	7	10	29	32
Interest paid and other financial items	-71	-112	-249	-290
Taxes paid	-124	-131	-580	-587
<b>Cash flow from operating activities before changes in working capital</b>	<b>736</b>	<b>537</b>	<b>2,297</b>	<b>2,098</b>
Cash flow from changes in working capital:				
Change in inventories	-104	-99	95	100
Change in operating receivables	-615	-869	-97	-351
Change in operating liabilities	282	310	-1	27
Change in items affecting comparability	-16	10	-26	0
<b>Cash flow from operating activities</b>	<b>283</b>	<b>-111</b>	<b>2,268</b>	<b>1,874</b>
<b>Investing activities</b>				
Acquisitions	-153	-131	-256	-234
Discontinued operations	-	-	-19	-19
Capital expenditure, property, plant and equipment	-130	-134	-848	-852
Capital expenditure in intangible assets	-10	-15	-65	-70
Sale of non-current assets	2	1	14	13
<b>Cash flow from investing activities</b>	<b>-291</b>	<b>-279</b>	<b>-1,174</b>	<b>-1,162</b>
<b>Financing activities</b>				
Change in interest-bearing investments	31	855	-6	818
Change in interest-bearing liabilities	80	-461	93	-448
Dividend - equity holders of the parent company	-	-	-813	-813
Dividend - non-controlling interest	-	0	0	0
<b>Cash flow from financing activities</b>	<b>111</b>	<b>394</b>	<b>-726</b>	<b>-443</b>
<b>Cash flow for the period</b>	<b>103</b>	<b>4</b>	<b>368</b>	<b>269</b>
Cash and cash equivalents:				
At beginning of the period	893	660	652	660
Exchange rate differences	4	-12	-20	-36
<b>Cash and cash equivalents at end of period</b>	<b>1,000</b>	<b>652</b>	<b>1,000</b>	<b>893</b>

SEK M	Q1 2014	Q1 2013	R12 2014	12M 2013
<b>Net sales</b>				
Trelleborg Coated Systems	473	463	1,849	1,839
Trelleborg Industrial Solutions	1,181	1,142	4,617	4,578
Trelleborg Offshore & Construction	859	856	3,590	3,587
Trelleborg Sealing Solutions	1,915	1,750	7,258	7,093
Trelleborg Wheel Systems	1,126	1,109	4,206	4,189
Group items	141	187	565	611
Eliminations	-101	-113	-412	-424
<b>Total</b>	<b>5,594</b>	<b>5,394</b>	<b>21,673</b>	<b>21,473</b>

<b>Operating profit <sup>1)</sup></b>				
Trelleborg Coated Systems	61	60	198	197
Trelleborg Industrial Solutions	117	102	447	432
Trelleborg Offshore & Construction	64	47	291	274
Trelleborg Sealing Solutions	436	352	1,570	1,486
Trelleborg Wheel Systems	148	144	494	490
Group items	-47	-66	-247	-266
<b>Total</b>	<b>779</b>	<b>639</b>	<b>2,753</b>	<b>2,613</b>

<b>Operating margin, % <sup>1)</sup></b>				
Trelleborg Coated Systems	13.0	13.0	10.7	10.7
Trelleborg Industrial Solutions	9.9	8.9	9.7	9.4
Trelleborg Offshore & Construction	7.4	5.5	8.1	7.6
Trelleborg Sealing Solutions	22.8	20.1	21.6	21.0
Trelleborg Wheel Systems	13.1	13.0	11.7	11.7
<b>Total</b>	<b>13.9</b>	<b>11.8</b>	<b>12.7</b>	<b>12.2</b>

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

Net sales per market, share and organic growth, %	Q1 2014	Q1 2013	12M 2013
Western Europe (55%)	-4	-4	0
Other Europe (6%)	21	13	22
North America (20%)	2	-11	-5
South and Central America (3%)	-2	-8	-12
Asia and other markets (16%)	18	-4	4
<b>Total (100% refer to share 2013)</b>	<b>2</b>	<b>-5</b>	<b>1</b>

Exchange rate differences impacting operating profit <sup>1)</sup> , SEK M	Q1 2014	Q1 2013	R12 2014	12M 2013
Trelleborg Coated Systems	0	-3	-5	-8
Trelleborg Industrial Solutions	3	-4	-2	-9
Trelleborg Offshore & Construction	2	-3	-9	-14
Trelleborg Sealing Solutions	7	-18	-31	-56
Trelleborg Wheel Systems	1	-11	-11	-23
Group items	-1	3	0	4
<b>Total</b>	<b>12</b>	<b>-36</b>	<b>-58</b>	<b>-106</b>

<sup>1)</sup> 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 participations in TrelleborgVibracoustic.

TRELLEBORG AB - FIRST QUARTER 2014

SEK M	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
<b>Net sales</b>									
Trelleborg Coated Systems	473	464	435	477	463	406	399	464	469
Trelleborg Industrial Solutions	1,181	1,120	1,127	1,189	1,142	1,147	1,070	1,213	1,249
Trelleborg Offshore & Construction	859	840	913	978	856	924	892	929	899
Trelleborg Sealing Solutions	1,915	1,723	1,787	1,833	1,750	1,592	1,706	1,944	1,973
Trelleborg Wheel Systems	1,126	959	1,010	1,111	1,109	833	852	1,052	1,128
Group items	141	133	129	162	187	176	163	197	212
Eliminations	-101	-94	-95	-122	-113	-112	-121	-187	-207
<b>Total</b>	<b>5,594</b>	<b>5,145</b>	<b>5,306</b>	<b>5,628</b>	<b>5,394</b>	<b>4,966</b>	<b>4,961</b>	<b>5,612</b>	<b>5,723</b>
<b>Operating profit<sup>1)</sup></b>									
Trelleborg Coated Systems	61	55	30	52	60	37	30	53	57
Trelleborg Industrial Solutions	117	96	123	111	102	95	70	79	92
Trelleborg Offshore & Construction	64	70	76	81	47	57	45	67	47
Trelleborg Sealing Solutions	436	332	386	416	352	277	343	464	429
Trelleborg Wheel Systems	148	92	117	137	144	72	88	133	156
Group items	-47	-82	-44	-74	-66	-92	-48	-94	-115
<b>Total</b>	<b>779</b>	<b>563</b>	<b>688</b>	<b>723</b>	<b>639</b>	<b>446</b>	<b>528</b>	<b>702</b>	<b>666</b>
<b>Operating margin, %<sup>1)</sup></b>									
Trelleborg Coated Systems	13.0	11.8	6.7	11.0	13.0	9.1	7.7	11.3	12.2
Trelleborg Industrial Solutions	9.9	8.5	10.9	9.3	8.9	8.3	6.5	6.5	7.3
Trelleborg Offshore & Construction	7.4	8.4	8.3	8.2	5.5	6.1	5.1	7.1	5.3
Trelleborg Sealing Solutions	22.8	19.3	21.6	22.7	20.1	17.4	20.1	23.9	21.7
Trelleborg Wheel Systems	13.1	9.6	11.5	12.4	13.0	8.6	10.4	12.6	13.8
<b>Total</b>	<b>13.9</b>	<b>11.0</b>	<b>13.0</b>	<b>12.8</b>	<b>11.8</b>	<b>9.0</b>	<b>10.7</b>	<b>12.5</b>	<b>11.6</b>
Items aff. comparability in operating profit	-18	-68	-101	-204	-37	-129	-12	171	-19
Profit from part in TrelleborgVibracoustic	133	123	25	97	110	37	72	-	-
<b>Operating profit</b>	<b>894</b>	<b>618</b>	<b>612</b>	<b>616</b>	<b>712</b>	<b>354</b>	<b>588</b>	<b>873</b>	<b>647</b>

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

TRELLEBORG AB - FIRST QUARTER 2014

<b>Income Statements, SEK M</b>	<b>Q1 2014</b>	<b>Q4 2013</b>	<b>Q3 2013</b>	<b>Q2 2013</b>	<b>Q1 2013</b>	<b>Q4 2012</b>	<b>Q3 2012</b>	<b>Q2 2012</b>	<b>Q1 2012</b>
Net sales	5,594	5,145	5,306	5,628	5,394	4,966	4,961	5,612	5,723
Cost of goods sold	-3,606	-3,358	-3,492	-3,702	-3,615	-3,404	-3,402	-3,720	-3,869
<b>Gross profit</b>	<b>1,988</b>	<b>1,787</b>	<b>1,814</b>	<b>1,926</b>	<b>1,779</b>	<b>1,562</b>	<b>1,559</b>	<b>1,892</b>	<b>1,854</b>
Selling expenses	-550	-534	-522	-538	-518	-501	-468	-542	-517
Administrative expenses	-609	-617	-559	-599	-580	-597	-545	-605	-589
Research and development costs	-85	-84	-75	-77	-73	-80	-74	-79	-76
Other operating income/costs	35	10	30	10	31	62	54	35	-6
Profit from TrelleborgVibracoustic	133	123	25	97	110	37	72	-	-
Profit from associated companies	0	1	0	1	0	0	2	1	0
Items affecting comparability	-18	-68	-101	-204	-37	-129	-12	171	-19
<b>Operating profit</b>	<b>894</b>	<b>618</b>	<b>612</b>	<b>616</b>	<b>712</b>	<b>354</b>	<b>588</b>	<b>873</b>	<b>647</b>
Financial income and expenses	-34	-42	-81	-32	-42	-37	-39	-34	-44
<b>Profit before tax</b>	<b>860</b>	<b>576</b>	<b>531</b>	<b>584</b>	<b>670</b>	<b>317</b>	<b>549</b>	<b>839</b>	<b>603</b>
Tax	-191	-136	-136	-165	-150	-59	-133	-130	-166
Tax related to TrelleborgVibracoustic	-46	-42	-13	-34	-29	-14	-18	-	-
<b>Total tax</b>	<b>-237</b>	<b>-178</b>	<b>-149</b>	<b>-199</b>	<b>-179</b>	<b>-73</b>	<b>-151</b>	<b>-130</b>	<b>-166</b>
<b>Net profit in continuing operations</b>	<b>623</b>	<b>398</b>	<b>382</b>	<b>385</b>	<b>491</b>	<b>244</b>	<b>398</b>	<b>709</b>	<b>437</b>
Net profit from discontinuing operations	-	-39	-	-	-	13	0	192	64
<b>Total net profit</b>	<b>623</b>	<b>359</b>	<b>382</b>	<b>385</b>	<b>491</b>	<b>257</b>	<b>398</b>	<b>901</b>	<b>501</b>
- equity holders of the parent company	621	356	380	384	489	256	396	896	494
- non-controlling interest	2	3	2	1	2	1	2	5	7

<b>Earnings per share, SEK</b>	<b>Q1 2014</b>	<b>Q4 2013</b>	<b>Q3 2013</b>	<b>Q2 2013</b>	<b>Q1 2013</b>	<b>Q4 2012</b>	<b>Q3 2012</b>	<b>Q2 2012</b>	<b>Q1 2012</b>
Continuing operations	2.29	1.46	1.40	1.41	1.81	0.89	1.46	2.61	1.60
Discontinued operations <sup>1)</sup>	0.00	-0.15	0.00	0.00	0.00	0.05	0.00	0.70	0.22
<b>Group, total</b>	<b>2.29</b>	<b>1.31</b>	<b>1.40</b>	<b>1.41</b>	<b>1.81</b>	<b>0.94</b>	<b>1.46</b>	<b>3.31</b>	<b>1.82</b>
Continuing operations, excluding items affecting comparability	2.34	1.71	1.67	2.12	1.90	1.22	1.50	1.94	1.65

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

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

<b>At March 31, 2014</b>	<b>Derivatives valued at fair value in profit and loss</b>		<b>Derivatives used for hedging purposes</b>		
<b>SEK M</b>	<b>Carrying amount</b>	<b>Measurement level</b>	<b>Carrying amount</b>	<b>Measurement level</b>	<b>Total</b>
Other financial non-current assets	-		11	2	<b>11</b>
Accounts receivable and other receivables	-2	2	11	2	<b>9</b>
Current interest-bearing receivables	101	2	6	2	<b>107</b>
<b>Total assets</b>	<b>99</b>		<b>28</b>		<b>127</b>
Interest-bearing non-current liabilities	-		36	2	<b>36</b>
Interest-bearing current liabilities	119	2	2	2	<b>121</b>
Accounts payable and other liabilities	1	2	38	2	<b>39</b>
<b>Total liabilities</b>	<b>120</b>		<b>76</b>		<b>196</b>

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

**Valuation techniques used to derive Level 2 fair values**

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

**Disclosure of fair value for debt and other financial instruments**

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

## Parent Company

<b>Income statements, SEK M</b>	<b>Q1 2014</b>	<b>Q1 2013</b>	<b>R12 2014</b>	<b>12M 2013</b>
Administrative expenses	-71	-50	-332	-311
Other operating income	33	2	251	220
<b>Operating profit</b>	<b>-38</b>	<b>-48</b>	<b>-81</b>	<b>-91</b>
Financial income and expenses	-122	-185	-658	-721
<b>Profit before tax</b>	<b>-160</b>	<b>-233</b>	<b>-739</b>	<b>-812</b>
Appropriations	-	-	842	842
Tax	45	74	-11	18
<b>Net profit</b>	<b>-115</b>	<b>-159</b>	<b>92</b>	<b>48</b>

<b>Statements of comprehensive income, SEK M</b>	<b>Q1 2014</b>	<b>Q1 2013</b>	<b>R12 2014</b>	<b>12M 2013</b>
<b>Net profit</b>	<b>-115</b>	<b>-159</b>	<b>92</b>	<b>48</b>
<b>Total comprehensive income</b>	<b>-115</b>	<b>-159</b>	<b>92</b>	<b>48</b>

<b>Balance sheets</b>	<b>Mar 31</b>	<b>Mar 31</b>	<b>Dec 31</b>
<b>SEK M</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>
Property, plant and equipment	24	24	24
Intangible assets	5	2	1
Financial assets	36,046	35,747	36,044
<b>Total non-current assets</b>	<b>36,075</b>	<b>35,773</b>	<b>36,069</b>
Current receivables	80	77	72
Current tax asset	91	-	17
Interest-bearing receivables	-	340	894
Cash and cash equivalents	0	7	0
<b>Total current assets</b>	<b>171</b>	<b>424</b>	<b>983</b>
<b>Total assets</b>	<b>36,246</b>	<b>36,197</b>	<b>37,052</b>
Shareholders' equity	12,459	13,180	12,574
<b>Total equity</b>	<b>12,459</b>	<b>13,180</b>	<b>12,574</b>
Untaxed reserves	19	105	19
Interest-bearing non-current liabilities	33	32	33
Other non-current liabilities	14	20	18
<b>Total non-current liabilities</b>	<b>47</b>	<b>52</b>	<b>51</b>
Interest-bearing current liabilities	23,532	22,784	24,247
Other current liabilities	189	76	161
<b>Total current liabilities</b>	<b>23,721</b>	<b>22,860</b>	<b>24,408</b>
<b>Total equity and liabilities</b>	<b>36,246</b>	<b>36,197</b>	<b>37,052</b>

## Financial definitions

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

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

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

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

**Equity method** Shares in associated companies 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 noninterest-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](#)) for installation of topside structures on substructures at sea in a floatover process, which replaces conventional lifting technology.

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

**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 know-how.

### Core strategy

Trelleborg's strategy is to command leading positions in selected market 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: Geographic balance, Portfolio optimization, Improved structure and Excellence.

### Value drivers

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

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

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

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

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

### Trelleborg's market segments:

Market segment	Group total	Trelleborg Coated Systems	Trelleborg Industrial Solutions	Trelleborg Offshore & Construction	Trelleborg Sealing Solutions	Trelleborg Wheel Systems
Capital-intensive industry	49%					
- Offshore oil & gas	11%			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

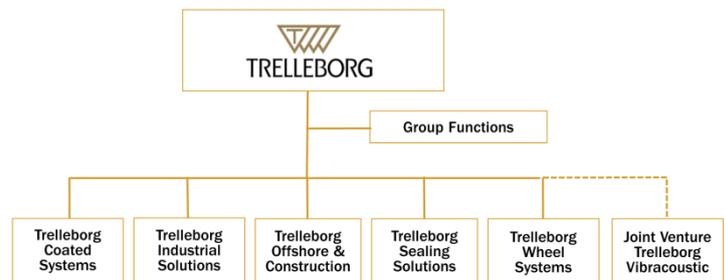
In July 2012, Trelleborg and Freudenberg formed a 50/50 joint venture in antivibration solutions for light and heavy vehicles, TrelleborgVibracoustic. The company is reported as a joint venture in the financial accounts and recognized in accordance with the equity method.

### 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 April 23 at 3:00 p.m. CET

A telephone conference will be held on April 23 at 3:00 p.m. CET. To participate in the telephone conference, call +46 8 51 99 9352 (Sweden), +44 20 76 60 2081 (U.K.) or +1 85 52 69 2607 (U.S.). Code: "Trelleborg". The conference will also be broadcast on the Internet in real time. Visit our website at: [www.trelleborg.com/en/Investors/Presentations](http://www.trelleborg.com/en/Investors/Presentations) for the Internet link and presentation materials.

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## Financial calendar 2014

Annual General Meeting 2014 (Trelleborg)	April 23
Capital Markets Day (Stockholm)	June 4
Interim report April-June 2014	July 22
Interim report July-September 2014	October 22

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## For further information

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

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

**This is information of the type that Trelleborg AB (publ) is obligated to disclose in accordance with the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was issued for publication on Wednesday, April 23, 2014, at 1:00 p.m. CET.**