



Pressrelease
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Trelleborg, December 10,

Weak demand for tires and semifinished goods means that workforce in Trelleborg will be reduced by 120 persons

The most recent quarterly report from the Trelleborg Group described the difficult conditions prevailing in many of the markets served by the Trelleborg Wheel Systems business area. Demand in the business area's markets for agricultural tires has declined by 15-20 percent and it is anticipated that production of semifinished goods at the unit in Trelleborg will have fallen by nearly 40 percent next year.

The report also predicted that the business area would implement a restructuring program during 2002 to counter the downturn in its markets. It is estimated that the program as a whole will cost around SEK 150-200 M, which will be charged against earnings for the final quarter of 2001. The payback time is expected to be about two years, with a positive impact on earnings as early as 2002.

The initial phase of the restructuring program has now been decided and all of the measures in this part affect units in the Trelleborg area of Sweden.

In total, the measures implemented at the units in Trelleborg will result in a workforce reduction of 156 persons, of whom 29 are salaried employees and 127 workers employed under collective agreement. Measures were already implemented earlier in the autumn, whereby 36 employees are leaving the company. Accordingly, redundancy notices covering 120 employees have now been submitted to the Regional Employment Board.

When the rationalization measures have been implemented, the units will consist of a total of 309 persons, of whom 222 are workers employed under collective agreement.

The costs of the measures in this part of the program are estimated to amount to approximately SEK 60 M. The payback period is estimated to two years and the program is expected to generate an effect as early as 2002. The project is scheduled to have been fully implemented during the second half of 2002.

Codetermination negotiations with the affected parties will be initiated immediately.

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Trelleborg is a global industrial group. Operations are based on spearhead competence within polymer materials and a high level of industrial know-how, combined with functional solutions and systems designed to meet the needs of our customers. The Trelleborg Group has annual sales of about SEK 19 billion (pro forma 2000, including the latest acquisitions), with approximately 16,500 employees in 40 countries. Trelleborg consists of four business areas: Trelleborg Automotive,

Trelleborg Wheel Systems, Trelleborg Engineered Systems and Trelleborg Building Systems. The Trelleborg share has been quoted on the A list of the Stockholm Exchange since 1964.

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