



Press release

Trelleborg, August 28, 2007

Trelleborg starts negotiations on relocation of manufacturing to Estonia

To ensure the future competitiveness of the Trelleborg Group's business unit for molded components in Sweden, a decision has been taken to request negotiations with affected trade unions regarding discontinuation and relocation of operations from Mörbylånga, Sweden, to the business unit's other plants. This decision is part of the process to create a more efficient production structure with fewer and more specialized units, thus ensuring future cost-effectiveness for these operations.

Manufacturing in Mörbylånga consists of special polymer components, primarily for heavy trucks. The study on which the decision to request negotiations was based assumed that production will primarily be relocated to the business unit's plant in Kuressaare in Estonia, and to the business unit's other plants in Sweden, particularly Forsheda. Subject to completion of the negotiations, relocation of manufacturing is expected to take place in stages during 2007 and 2008, whereof the major part in 2008. Production in Mörbylånga is expected to continue until the third quarter of 2008.

In total, 110 employees in Mörbylånga will be given notice, which has been communicated to the County Labor Board today. In cooperation with trade union representatives, work will be started to support the affected employees and to plan action programs to help them find new employment both within the Group and with other employers.

Trelleborg's unit in Kuressaare on the island of Saaremaa in Estonia, *Ou Saare Martex*, was acquired in its entirety in April 2007. These operations, which currently employ some 50 persons, will have about 120 employees when the relocation is completed.

The costs for discontinuation and restructuring are estimated at about SEK 30 M before tax, of which the major share will affect cash flow during 2007 and 2008. In addition, investments will amount to about SEK 20 M. The anticipated continuous cost savings mean that the project in its entirety is expected to have a relatively short payback time.

Further information can be obtained from Viktoria Bergman, Trelleborg's Senior Vice President, Corporate Communications, +46 (0)410-670 94, +46 (0)708-47 57 33, or from Mikael Byström, Trelleborg's Senior Vice President Investor Relations, +46 (0)410-670 37, +46 (0)708-55 21 69.

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 2006 of approximately SEK 27 billion, with about 24,000 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