

Q3
Interim report July-September 2016

Advancing our positions

- Net sales for the third quarter of 2016 amounted to SEK 7,072 M (5,975). Organic sales declined by 5 percent, mainly as a result of the foreseen downturn in deliveries to the oil & gas segment. The effects of exchange rate movements on sales were negative 1 percent.
- Effects of structural changes made a positive contribution of 24 percent, where the acquisition of CGS accounts for the main part of the increase.
- EBIT, excluding items affecting comparability, rose by 15 percent to SEK 915 M (798), which was the Group's highest result to date for a quarter and equivalent to an EBIT margin of 12.9 percent (13.4).
- Items affecting comparability for the quarter amounted to an expense of SEK 51 M (expense: 109).
- Earnings per share for continuing operations totaled SEK 2.33 (1.80), up 29 percent.
- Operating cash flow amounted to SEK 1,066 M (766), up 39 percent.

SEK M	Q3 2016	Q3 2015	Change, %	9M 2016	9M 2015	Change, %
Net sales	7,072	5,975	18	19,711	18,876	4
Organic sales, %	-5	-3		-5	-2	
EBITA, excluding items affecting comparability	980	824	19	2,784	2,589	8
EBITA margin, %	13.8	13.8		14.1	13.7	
EBIT, excluding items affecting comparability	915	798	15	2,655	2,514	6
EBIT margin, %	12.9	13.4		13.5	13.3	
Items affecting comparability	-51	-109	53	-273	-167	-63
EBIT	864	689	25	2,382	2,347	1
Profit before tax	818	655	25	2,226	2,237	0
Net profit, discontinuing operations ¹⁾	0	131	-100	4,369	405	979
Net profit, Group	631	616	2	6,066	2,061	194
Earnings per share continuing operations, SEK	2.33	1.80	29	6.26	6.11	2
Earnings per share Group, SEK	2.33	2.28	2	22.38	7.60	194
Operating cash flow ²⁾	1,066	766	39	2,129	1,428	49

¹⁾ Relates to Vibracoustic

²⁾ Continuing operations

Discontinuing operations

- A payment of SEK 6.2 billion was received in the third quarter related to the divestment of Vibracoustic. The corresponding amount was recognized as a financial receivable in the second quarter.

¹⁾ Nine-month net profit in discontinuing operations is recognized in accordance with IFRS and amounted to SEK 4,369 M. This amount includes a capital gain of SEK 4,070 M and a reclassification of shareholders' equity of SEK 299 M. The net effect on shareholders' equity amounts to SEK 4,070 M. Both items are attributable to the divestment of Vibracoustic.

Advancing our positions

“After an eventful second quarter, the third quarter is the first one that we are now working in the new structure. We have divested Vibraacoustic and CGS is included for the first time for a full quarter. We have advanced our positions and have a good structure for the future.

Trelleborg reported an increasing operating profit and sustained its margin at the same high level as in the strong third quarter of last year. Sales rose by 18 percentage points compared with the preceding year, predominantly driven by the acquisition of CGS in addition to other bolt-on acquisitions. EBIT excluding comparable items increased by 15 percent.

We achieved these favorable results through our focus on securing leading market positions and effective cost control in an environment distinguished by a continued weak trend for several market segments. Offshore oil & gas was the main factor underlying the fall-off in organic sales, at the same time as a more positive trend was noted for our aerospace and automotive-related operations. Organic sales were lower year on year, but slightly better than in the preceding quarter.

In historical terms, the second half year is a seasonally weaker period due to our customers’ purchasing patterns and vacation periods. Now that CGS is included for the first time for a full quarter, we can see that this seasonal pattern has been accentuated.

We are now working to integrate CGS and other acquisitions in a long-term, sustainable and structurally appropriate manner. Naturally, these activities affect both sales and earnings during a period as we build the platform for the future. I would like to emphasize once again that Trelleborg’s focus is always on the end result, sometimes at the expense of short-term quarterly figures.

During the quarter, we signed an agreement to acquire four companies which, combined, will contribute just under SEK 900 M to our sales on an annual basis. These acquisitions strengthen and complement us in niches where we have ambitions to grow and they should be perceived as building blocks for the establishment of leading market positions in already focused segments.

We are particularly pleased with the acquisition of Schwab in industrial antivibration and the fact that we successfully completed a number of exciting bolt-on acquisitions in Trelleborg Sealing Solutions. Our strategy continues to primarily rest on organic growth initiatives, and thus bolt-on acquisitions should be viewed as a complement to this strategy.

The trend in several segments remains subdued in most markets, primarily offshore oil & gas, but also heavy general industry and agriculture. As previously, our growth is instead being driven by other segments, such as the automotive and aerospace industries. Our assessment is that the trend in agricultural markets, albeit clearly weaker than in the preceding year, is starting to plateau at a low level.

Market outlooks are associated with a high degree of uncertainty. However, our general assessment is that demand for the fourth quarter will be on a par with the third quarter. As in the past, 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 of 2016

Demand is expected to be on a par with the third quarter of 2016, adjusted for seasonal variations.

Market outlook from the interim report published on July 19, 2016, relating to the third quarter of 2016

Demand is expected to be on a par with, or slightly weaker, than the second quarter of 2016, adjusted for seasonal variations.

Third quarter 2016

Net sales

SEK M, growth	Q3 2016	Q3 2015	9M 2016	9M 2015	R12 2016	12M 2015
Net sales	7,072	5,975	19,711	18,876	25,638	24,803
Change total, %	18	6	4	11		10
Organic sales, %	-5	-3	-5	-2		-2
Structural change, %	24	1	11	3		2
Currency effects, %	-1	8	-2	10		10

Net sales for the third quarter of 2016 amounted to SEK 7,072 M (5,975). Organic sales declined by 5 percent during the quarter, mainly due to the previously announced fall-off in deliveries to the oil & gas segment. Effects from structural changes contributed 24 percent, where the acquisition of CGS accounts for the main part of the increase. Exchange rate effects accounted for negative 1 percent on sales compared with the year-earlier period.

Excluding project deliveries¹⁾: The Group's organic sales declined 1 percent year on year. Organic sales in Western Europe declined by 4 percent. In the rest of Europe, organic sales rose by 2 percent. Organic sales declined by 8 percent in North America, while an increase of 14 percent was noted in South & Central America. In Asia and other markets, organic sales increased by 19 percent.

¹⁾ Project deliveries refer to the whole of Trelleborg Offshore & Construction and minor parts of Trelleborg Industrial Solutions operations.

Result

SEK M	Q3 2016	Q3 2015	Change, %	9M 2016	9M 2015	Change, %
EBITA, excluding items affecting comparability	980	824	19	2,784	2,589	8
EBITA margin, %	13.8	13.8		14.1	13.7	
EBIT, excluding items affecting comparability	915	798	15	2,655	2,514	6
EBIT margin, %	12.9	13.4		13.5	13.3	
Items affecting comparability	-51	-109	53	-273	-167	-63
EBIT	864	689	25	2,382	2,347	1
Financial income and expenses	-46	-34	-35	-156	-110	-42
Profit before tax	818	655	25	2,226	2,237	0
Taxes	-187	-170	-10	-529	-581	9
Net profit, discontinuing operations ¹⁾	-	131	-100	4,369	405	979
Net profit, Group	631	616	2	6,066	2,061	194

¹⁾ Relates to Vibracoustic

EBITA, excluding items affecting comparability, totaled SEK 980 M (824), corresponding to a margin of 13.8 percent (13.8).

EBIT, excluding items affecting comparability, amounted to SEK 915 M (798) for the third quarter, a year-on-year increase of 15 percent. The total exchange rate effects on EBIT, excluding items affecting comparability, from the translation of foreign subsidiaries had a negative impact of SEK 14 M on earnings compared with the year-earlier period. The EBIT margin, excluding items affecting comparability, amounted to 12.9 percent (13.4).

The integration of the CGS acquisition continued during the quarter. The acquired operations contributed positively to the Group's earnings and the operations' results are on par with the year-earlier outcome.

Amortization of the surplus value from the acquisition of CGS had a negative impact of SEK 25 M on EBIT during the

quarter, with the following breakdown: SEK 17 M in the Trelleborg Wheel Systems business area and SEK 8.0 M in Rubena Savatech.

The quarter was charged with items affecting comparability amounting to an expense of SEK 51 M (expense: 109).

EBIT, including items affecting comparability, for the quarter amounted to SEK 864 M (689), up 25 percent.

The net financial expense was SEK 46 M (expense: 34), corresponding to an interest rate of 1.5 percent (1.7).

Net profit in discontinuing operation in the year-earlier period relates to Vibracoustic.

Net profit for the Group totaled SEK 631 M (616).

Excluding discontinuing operations, the tax rate was 23 percent (26), primarily impacted by a changed country mix in conjunction with the consolidation of acquired units.

Return on capital employed

%	R12 2016	R12 2015	12M 2015
Excluding items affecting comparability	12.4	14.6	14.3
Including items affecting comparability	11.1	13.6	13.2
Capital employed for continuing operations increased year-on-year to SEK 36,444 M (22,209), impacted by acquisitions carried out during the year. The return on capital employed,	excluding items affecting comparability, amounted to 12.4 percent (14.6).		

Cash flow

SEK M	Q3 2016	Q3 2015	Change, %	9M 2016	9M 2015	Change, %
EBITDA, operating profit before depreciation	1,227	1,009	22	3,399	3,130	9
Capital expenditure	-250	-282	11	-654	-754	13
Sold non-current assets	10	26		23	47	
Change in working capital	76	16		-640	-989	
Dividend from associated companies	1	1		2	1	
Non cash-flow affecting items	2	-4		-1	-7	
Operating cash flow	1,066	766	39	2,129	1,428	49
Cash impact from items affecting comparability	-53	-58		-238	-109	
Financial items	-23	-22		-123	-107	
Paid tax	-178	-110		-427	-315	
Free cash flow	812	576	41	1,341	897	49
Acquisitions	-123	-10		-12,104	-114	
Discontinuing operations	6,185	6		6,185	33	
Dividend - equity holders of the parent company	-	-		-1,084	-1,017	
Sum net cash flow	6,874	572	1,102	-5,662	-201	-2,717

Operating cash flow during the third quarter amounted to SEK 1,066 M (766). A higher operating profit before depreciation, a slightly lower rate of capital expenditure year on year and a positive change in working capital contributed to this improvement. The cash conversion ratio for the most recent 12-month period was 89 percent (77).

Free cash flow amounted to SEK 812 M (576).

The net cash flow amounted to SEK 6,874 M (572) and was impacted with an amount of SEK 123 M (10) by acquisitions and SEK 6,185 M (6) by the payment for the divestment of Vibracoustic.

Net debt

Change in net debt, SEK M	9M 2016	9M 2015	12M 2015
Net debt, opening balance	-6,282	-7,195	-7,195
Net cash flow for the period	-5,662	-201	1,144
Exchange rate differences	-340	-339	-231
Receivable related to the divestment of Vibracoustic	685	-	-
Net debt, closing balance	-11,599	-7,735	-6,282
Debt/equity ratio, %	47	41	34
Net debit/EBITDA			
Continuing operations, excluding items affecting comparability	2.7	1.9	1.5
Continuing operations, including items affecting comparability	2.9	2.0	1.6
Proforma continuing operations, including items affecting comparability and acquisitions ¹⁾	2.4	-	-
Total Group²⁾	1.4	1.8	1.4

¹⁾ The pro forma calculation is based on available information with a certain degree of uncertainty as regards differences in accounting principles and methodology

²⁾ 2016 includes the capital gain on the disposal of Vibracoustic

Since the beginning of the year, net debt has increased by SEK 5,317 M, significantly affected by the acquisition of CGS and negative exchange rate differences.

The payment for the divestment of Vibracoustic totaling SEK 6,185 M was received during the quarter and recognized in net cash flow. In addition, there is a receivable totaling SEK 685 M linked to Vibracoustic's realized sales performance in 2016 and 2017.

The debt/equity ratio at the end of the period was 47

percent (41).

Net debt in relation to EBITDA, excluding items affecting comparability, amounted to 2.7 (1.9). The ratio for the Group as a whole, including the capital gain generated in connection with the divestment of Vibracoustic, was 1.4 (1.8). According to a pro forma calculation including rolling 12-month EBITDA for continuing operations and acquisitions carried out during the most recent 12-month period, the underlying net debt in relation to EBITDA was approximately 2.4.

Return on equity

%	R12 2016	R12 2015	12M 2015
Continuing operations, excluding items affecting comparability	11.1	12.8	12.5
Continuing operations, including items affecting comparability	9.9	11.8	11.5
Total Group ¹⁾	30.7	14.5	14.3

¹⁾ The underlying R12 value for 2016 includes 3 months associated income from Vibracoustic and capital gain from the disposal of Vibracoustic, whereas the comparative values include 12 months associated income.

Shareholders' equity for the Group at the close of the period amounted to SEK 24,443 M (18,622 at January 1). Equity per share amounted to SEK 90 (69), up 30 percent. The equity/assets ratio was 51 percent (54). The total return on

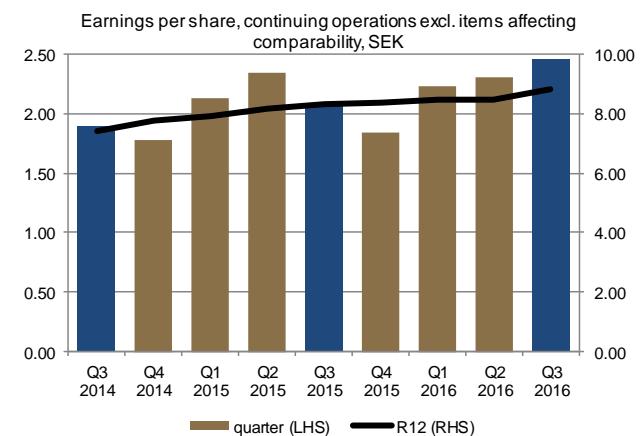
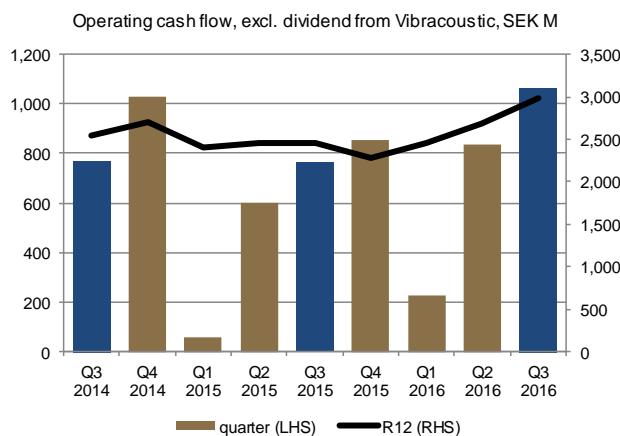
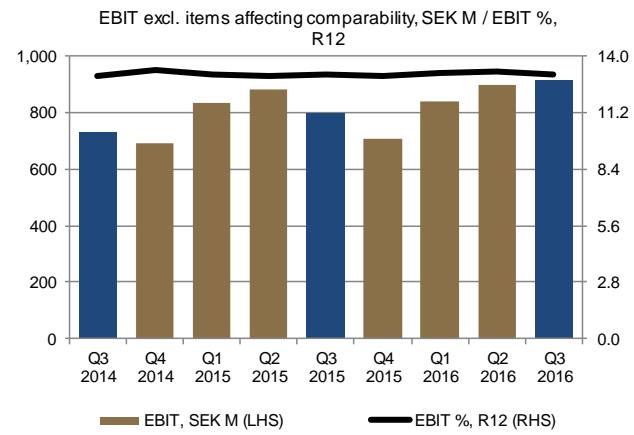
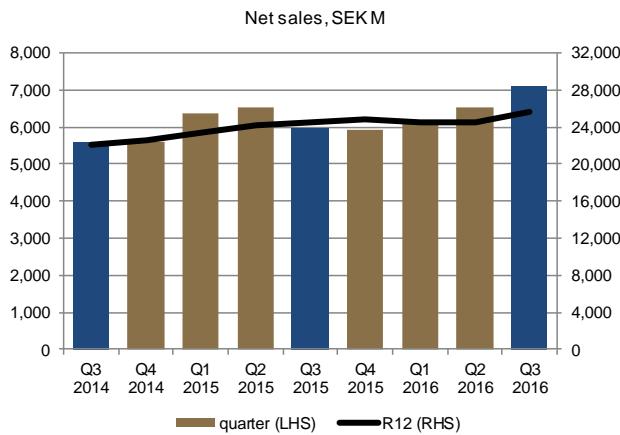
shareholders' equity for the Group was 30.7 percent (14.5), affected by the capital gain generated by the divestment of Vibracoustic.

Earnings per share

Earnings per share, SEK	Q3 2016	Q3 2015	9M 2016	9M 2015	R12 2016	12M 2015
Continuing operations	2.33	1.80	6.26	6.11	7.88	7.73
Discontinuing operations	0.00	0.48	16.12	1.49	16.51	1.88
Group, total	2.33	2.28	22.38	7.60	24.39	9.61
Continuing operations, excluding items affecting comparability	2.46	2.07	7.00	6.55	8.84	8.39

Earnings per share for continuing operations during the third quarter totaled SEK 2.33 (1.80). For the Group in total,

earnings per share amounted to SEK 2.33 (2.28).



January-September 2016

Net sales for the first nine months of 2016 totaled SEK 19,711 M (18,876), up 4 percent year-on-year.

EBIT, including items affecting comparability, for the first nine months of 2016 amounted to SEK 2,382 M (2,347).

The financial net expense was SEK 156 M (expense: 110), corresponding to an average interest rate of 2.1 percent (1.8), impacted by financial non-recurring items attributable to the acquisition of CGS.

Profit before tax totaled SEK 2,226 M (2,237).

Net profit in discontinuing operations amounted to SEK 4,369 M (405).

Net profit for the Group totaled SEK 6,066 M (2,061).

Total earnings per share for the Group were SEK 22.38 (7.60).

Significant events during the quarter

Acquisition of industrial anti-vibration supplier. Trelleborg Industrial Solutions signed an agreement to acquire Schwab Vibration Control, a German and Swiss technology-leading supplier of industrial anti-vibration components and systems mainly for the rail market.

Schwab Vibration Control is headquartered and has its production site in Velten, Germany. It also has engineering and sales offices in Adliswil, Switzerland and Laudenbach, Germany. Sales amounted to approximately SEK 575 M in 2015.

The transaction was finalized after the close of the period and consolidated from October 1, 2016.

Press releases were published on August 10, 2016, and on October 3, 2016, respectively.

The transaction was consolidated from September 7, 2016.

The press release was published on September 8, 2016.

Acquisition of large solid tire distributor. Trelleborg Wheel Systems signed an agreement and finalized the acquisition of International Tyre and Wheel Solutions Ltd. (ITWS). ITWS is a distributor of large solid off-the-road (OTR) tires for the waste, recycling and demolition industries. The acquisition complements the recent acquisition of Mitas pneumatic construction tires and gives Trelleborg a clear and broad offering in both pneumatic and solid tires across Europe, the Middle East and Africa.

The acquired operation is headquartered in Lowton, England. Sales amounted to approximately SEK 40 M in 2015. This bolt-on acquisition is part of Trelleborg's strategy to strengthen its positions in attractive market segments.

The transaction was consolidated from September 1, 2016.

The press release was published on September 2, 2016.

Nomination Committee 2017. At Trelleborg AB's Annual General Meeting on April 21, 2016, the Chairman of the Board was assigned the task of asking five major shareholders in the Company to appoint one member each to the Nomination Committee who will prepare proposals regarding Board members to be presented to the 2017 Annual General Meeting for resolution.

The following individuals have 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 Annual General Meeting will be held in Trelleborg, Sweden, on April 27, 2017, at 5:00 pm CET.

Shareholders wishing to submit proposals regarding candidates for the Board of Trelleborg may address these by e-mail to valberedningen@trelleborg.com or directly to the Chairman of the Board Sören Mellstig or any of the above-mentioned members of the Nomination Committee.

The press release was published on September 15, 2016.

Acquisition of seals distributor in the U.S. Trelleborg Sealing Solutions signed an agreement and finalized the acquisition of the privately owned U.S.-based Anderson Seal LLC. The business specializes in the distribution and service of seals, gaskets and custom-molded products for Original Equipment Manufacturers (OEMs) in several industries. The acquisition will increase Trelleborg's presence in the Midwestern United States.

The acquired business has its office and warehouse in New Berlin, Wisconsin. Sales amounted to approximately SEK 145 M in 2015. This bolt-on acquisition is part of Trelleborg's strategy to strengthen its positions in attractive market segments.

Acquisition of manufacturer of precision seals. Trelleborg Sealing Solutions has signed an agreement to acquire a U.S.-based subsidiary of CoorsTek, Inc. that specializes in the manufacturing of precision seals for the aerospace industry.

The acquisition will strengthen Trelleborg's presence in North America and in sealing solutions for major aircraft programs. Completion of the transaction is subject to the approval of the relevant authorities.

The operation is located in El Segundo, California. Sales amounted to approximately SEK 115 M in 2015. This bolt-on acquisition is part of Trelleborg's strategy to strengthen its positions in attractive market segments.

The transaction is expected to be finalized in the fourth quarter of 2016.

The press release was published on September 28, 2016.

Significant events after the close of the period

Finalization of the acquisition of industrial anti-vibration supplier. Trelleborg Industrial Solutions finalized the acquisition of Schwab Vibration Control (see page 6).
A press release was published on October 3, 2016.

Risk management

Trelleborg serves a broad range of customers in a variety of market segments and niches. Sales, and thereby invoicing, are made to approximately 140 countries worldwide and the Group has manufacturing operations at more than 100 production units in around 40 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 large 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 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 except as regards the accounting of Vibracoustic. As from the first quarter of 2016, the equity method is no longer applicable. Instead IFRS 5 is applied and recognition occurs under discontinuing operations.

New and amended standards applied from January 1, 2016

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 special review by the company's auditor.

Trelleborg, October 25, 2016
Board of Directors of Trelleborg AB (publ)

Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Trelleborg AB (publ) as of 30 September 2016 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish 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 Report 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 is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Trelleborg, 25 October 2016

PricewaterhouseCoopers AB

Mikael Eriksson
Authorized Public Accountant
Auditor in charge

Cecilia Andrén Dorselius
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.

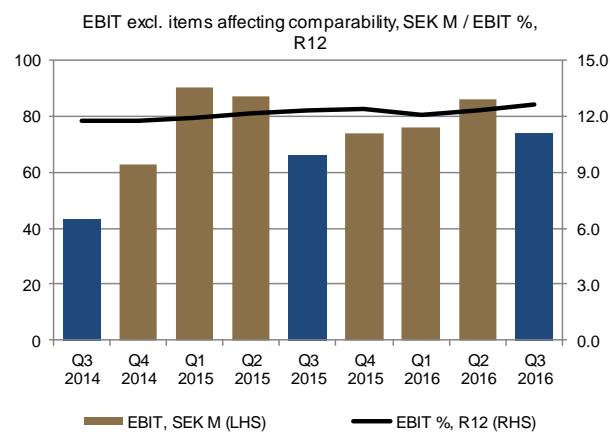
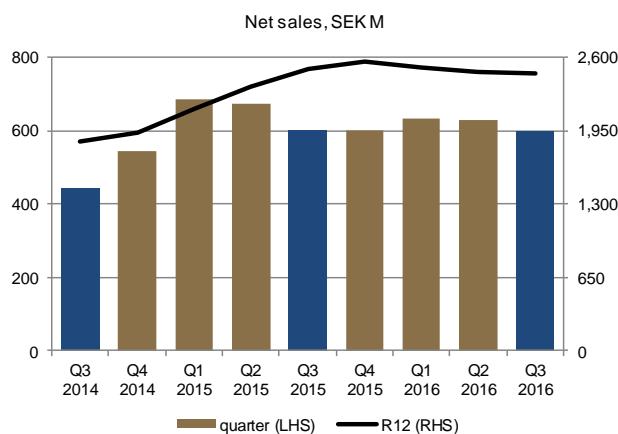
Excluding items affecting comparability, SEK M	Q3 2016	Q3 2015	Change, %	9M 2016	9M 2015	Change, %
Net sales	596	602	-1	1,855	1,957	-5
Change total, %	-1	36		-5	41	
Organic sales, %	-2	4		-5	1	
Structural change, %	-	19		-	22	
Currency effects, %	1	13		0	18	
EBIT	74	66	12	236	243	-3
EBIT, %	12.4	11.0		12.7	12.4	

Additional key ratios on pages 18 - 19

Organic sales for the quarter declined by 2 percent year-on-year. Organic sales of coated fabrics decreased compared with the year-earlier period, with stronger sales in Asia and South America counterbalancing a weaker trend in both Europe and North America. Sales to general industry and the automotive industry were lower, while overall demand from the aerospace industry was favorable. Organic sales of printing blankets were on a par with the year-earlier period, with stronger sales to Asia offsetting lower sales in North and South

America. Corresponding sales were unchanged in Europe.

EBIT improved compared with the corresponding period in 2015. The EBIT margin strengthened as a result of implemented restructuring measures and effective cost control. Exchange rate effects from the translation of foreign subsidiaries had a positive 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 hose systems, industrial antivibration solutions and selected industrial sealing systems.

Excluding items affecting comparability, SEK M	Q3 2016	Q3 2015	Change, %	9M 2016	9M 2015	Change, %
Net sales	1,199	1,215	-1	3,803	3,913	-3
Change total, %	-1	-4		-3	6	
Organic sales, %	-3	-7		-2	-5	
Structural change, %	2	-3		1	3	
Currency effects, %	0	6		-2	8	
EBIT	114	124	-8	386	419	-8
EBIT, %	9.5	10.2		10.1	10.7	

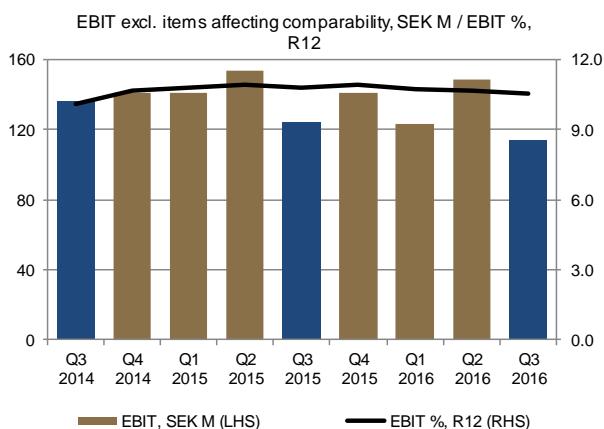
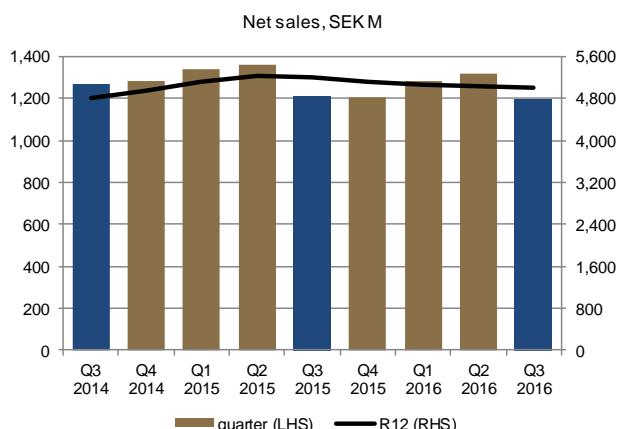
Additional key ratios on pages 18 - 19

Organic sales for the quarter declined by 3 percent year-on-year. Sales to the automotive industry were generally favorable, while sales to general industry remained subdued in large parts of the world. Low activity in the oil & gas segment had a negative impact on sales. Deliveries to the infrastructure construction market segment varied between different sub-segments and geographic markets. Europe and North and South America reported a downturn in organic sales, in contrast to the positive trend in Asia.

EBIT and the EBIT margin declined compared with the

corresponding period in 2015, mainly due to an unfavorable sales mix. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 1 M on earnings compared with the year-earlier period.

During the quarter, the business area signed an agreement to acquire a German and Swiss technology-leading supplier of industrial anti-vibration components and systems mainly for the rail market. The acquisition was finalized after the close of the period (see page 6).



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 2016	Q3 2015	Change, %	9M 2016	9M 2015	Change, %
Net sales	837	1,019	-18	2,574	3,182	-19
Change total, %	-18	11		-19	16	
Organic sales, %	-22	1		-22	2	
Structural change, %	8	-		6	-	
Currency effects, %	-4	10		-3	14	
EBIT	42	46	-9	91	122	-25
EBIT, %	5.1	4.6		3.5	3.8	

Additional key ratios on pages 18 - 19

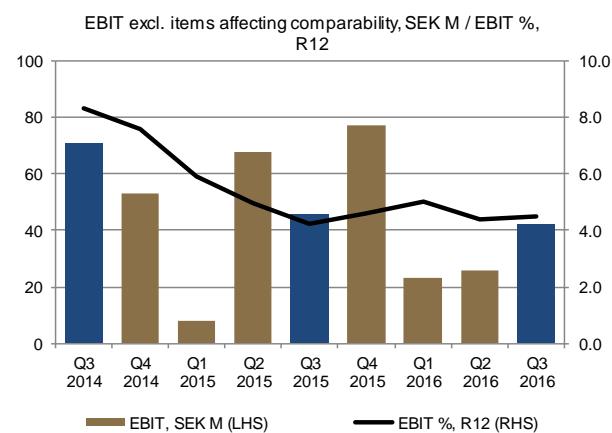
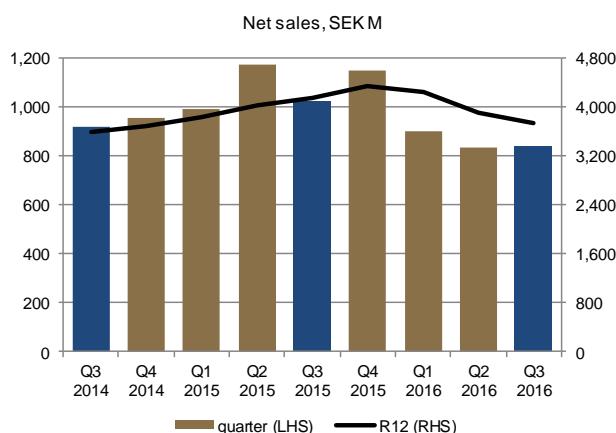
Organic sales for the quarter declined by 22 percent year-on-year. The decline was mainly the result of fewer project transactions in the oil & gas segment as well as lower sales in parts of the infrastructure construction segment.

EBIT decreased compared with the corresponding period in 2015, due to a significant decline in deliveries of major project orders. Implemented acquisitions and proactive efforts to adapt the offshore oil & gas operations to the challenging market environment resulted in a limited earnings impact despite significantly lower organic sales.

The EBIT margin increased slightly year on year on

account of these actions. The market price of oil remains low, confirming that competition for outstanding project transactions has intensified and that the prevailing sense of uncertainty can be expected to continue moving forward. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 5 M on earnings compared with the year-earlier period.

During the quarter, several new products and services were launched, including a maintenance service for fenders on offshore platforms and an offshore wind-farm power-cable protection system.





Trelleborg Sealing Solutions

BUSINESS AREA

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 2016	Q3 2015	Change, %	9M 2016	9M 2015	Change, %
Net sales	2,148	2,060	4	6,395	6,393	0
Change total, %	4	7		0	10	
Organic sales, %	0	-2		0	-1	
Structural change, %	4	0		1	0	
Currency effects, %	0	9		-1	11	
EBIT	467	463	1	1,469	1,484	-1
EBIT, %	21.7	22.4		23.0	23.2	

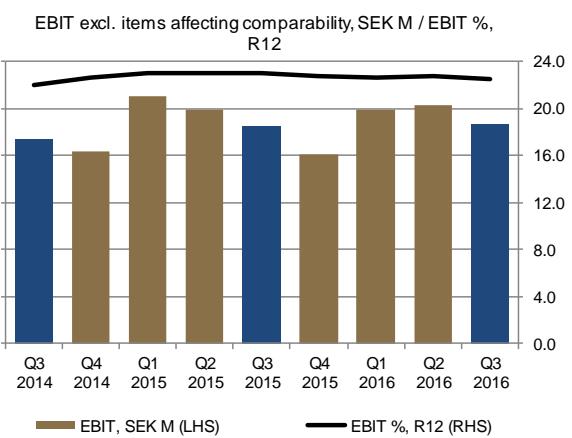
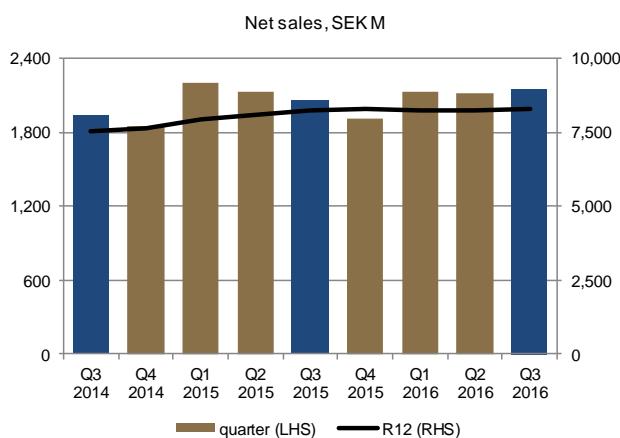
Additional key ratios on pages 18 - 19

Organic sales for the quarter were unchanged year-on-year. The positive delivery trend to the aerospace industry continued during the quarter. Sales to the automotive industry were on a par with the year-earlier period. Deliveries to general industry declined in several geographic regions, primarily in more capital-intensive sectors. Organic sales declined slightly in Europe and were lower in North and South America. Sales to Asia rose sharply, mainly to the automotive industry but also to general industry.

EBIT improved due to higher sales while the EBIT margin declined slightly year on year. Integration activities linked to the recent acquisitions negatively impacted earnings in the quarter and are expected to continue affecting the margin to

the same degree in the quarter ahead. These efforts are focused on creating long-term growth opportunities. 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.

An initiative aimed at addressing new customer categories has reached its launch phase and will be implemented in the fourth quarter. During the quarter, a distributor of seals, gaskets and custom-molded products was acquired in the U.S., and an agreement was signed to acquire a manufacturer of precision seals for the aerospace industry (see page 6).





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

Excluding items affecting comparability, SEK M	Q3 2016	Q3 2015	Change, %	9M 2016	9M 2015	Change, %
Net sales	1,855	1,037	79	4,471	3,295	36
Change total, %	79	3		36	3	
Organic sales, %	1	-6		1	-7	
Structural change, %	78	3		37	2	
Currency effects, %	0	6		-2	8	
EBIT	204	132	55	546	373	46
EBIT, %	11.0	12.7		12.2	11.3	

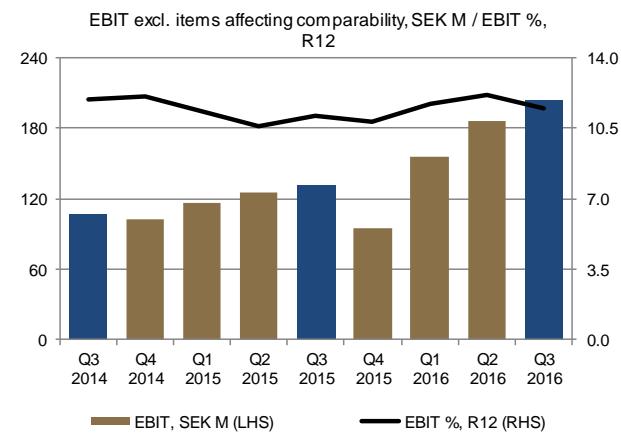
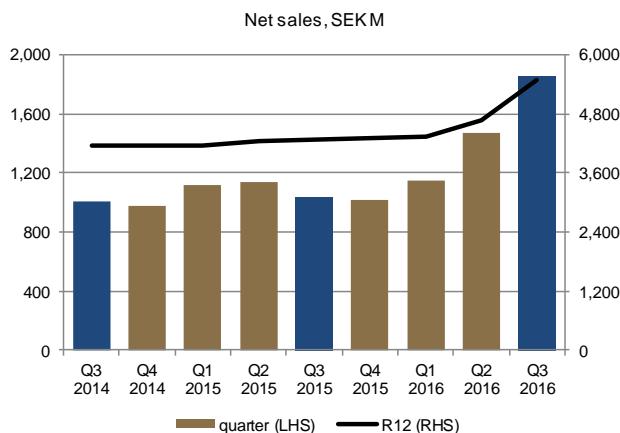
Additional key ratios on pages 18 - 19

Organic sales for the quarter increased by 1 percent year-on-year. The full consolidation of CGS in the quarter contributed 78 percentage points to the sales increase. Organic sales of agricultural tires to OEMs of agricultural machinery decreased in Europe, but trended favorably in North America, albeit from low levels. Aftermarket sales rose in all regions, and outperformed the underlying market. Organic sales of tires for materials handling vehicles and construction vehicles was unchanged year on year. Organic sales to both the European and North American markets declined somewhat, but this was fully offset by the healthy sales trend in other markets. The newly acquired units are characterized by an even more distinct seasonal pattern, whereby the first six months are

traditionally stronger than the second half of the year.

EBIT increased due to the consolidation of CGS. The EBIT margin declined primarily due to integration costs related to CGS and ongoing initiatives for increasing sales in North America. Combined, these two factors are estimated to have impacted EBIT by about SEK 10 M during the quarter. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 9 M on earnings compared with the year-earlier period.

During the quarter, a distributor of large solid off-the-road (OTR) tires for the waste, recycling and demolition industries was acquired (see page 6).



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 gradually integrated into the current business areas.

Excluding items affecting comparability, SEK M	Q3 2016	9M 2016 ¹⁾
Net sales	450	616
EBIT	55	81
EBIT, %	12.1	13.1

Additional key ratios on pages 18 - 19

¹⁾ Key ratios refer to the period of June to September

Rubena Savatech reported favorable volumes during the quarter and its production units maintained high capacity utilization. Healthy sales were reported of niche products for general industry as well as products for the automotive industry.

The stable sales level, combined with effective cost control, resulted in a satisfactory result in a seasonally weaker quarter.

A number of investment projects have been initiated with the aim of increasing the manufacturing capacity for selected niche products and these will gradually enable the operation to grow.

The integration work relating to the corresponding operations in Trelleborg is proceeding as planned and preparations are under way for a future consolidation.

Financial statements

Income Statements

SEK M	Q3 2016	Q3 2015	9M 2016	9M 2015	R12 2016	12M 2015
Net sales	7,072	5,975	19,711	18,876	25,638	24,803
Cost of goods sold	-4,749	-3,983	-13,002	-12,566	-16,958	-16,522
Gross profit	2,323	1,992	6,709	6,310	8,680	8,281
Selling expenses	-591	-502	-1,673	-1,564	-2,153	-2,044
Administrative expenses	-757	-651	-2,127	-2,007	-2,851	-2,731
Research and development costs	-100	-91	-305	-282	-406	-383
Other operating income/expenses	36	50	45	56	83	94
Profit from associated companies	4	0	6	1	7	2
EBIT, excluding items affecting comparability	915	798	2,655	2,514	3,360	3,219
Items affecting comparability	-51	-109	-273	-167	-363	-257
EBIT	864	689	2,382	2,347	2,997	2,962
Financial income and expenses	-46	-34	-156	-110	-199	-153
Profit before tax	818	655	2,226	2,237	2,798	2,809
Tax	-187	-170	-529	-581	-661	-713
Net profit in continuing operations	631	485	1,697	1,656	2,137	2,096
Net profit in discontinuing operations ¹⁾	0	131	4,369	405	4,473	509
Total net profit	631	616	6,066	2,061	6,610	2,605
- equity holders of the parent company	631	616	6,066	2,059	6,610	2,603
- non-controlling interest	-	0	-	2	0	2

¹⁾ Relates to Vibroacoustic

Earnings per share, SEK	Q3 2016	Q3 2015	9M 2016	9M 2015	R12 2016	12M 2015
Continuing operations	2.33	1.80	6.26	6.11	7.88	7.73
Discontinuing operations	0.00	0.48	16.12	1.49	16.51	1.88
Group, total	2.33	2.28	22.38	7.60	24.39	9.61
Continuing operations, excluding items affecting comparability	2.46	2.07	7.00	6.55	8.84	8.39
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 2016	Q3 2015	9M 2016	9M 2015	R12 2016	12M 2015
Total net profit	631	616	6,066	2,061	6,610	2,605
Other comprehensive income						
Items that will not be reclassified to the income statement						
Reassessment of net pension obligation	0	0	-66	1	-65	2
	0	0	-66	1	-65	2
Items that may be reclassified to the income statement						
Cash flow hedges	11	-63	76	-14	-85	-175
Hedging of net investment	-241	-153	-508	-237	-303	-32
Translation difference	730	-59	1,471	26	974	-471
Income tax relating to components of other comprehensive income	44	61	120	75	65	20
Other comprehensive income relating to discontinuing operations	0	14	-254	-9	-311	-66
	544	-200	905	-159	340	-724
Other comprehensive income, net of tax	544	-200	839	-158	275	-722
Total comprehensive income	1,175	416	6,905	1,903	6,885	1,883

EBIT specification

SEK M	Q3 2016	Q3 2015	9M 2016	9M 2015	R12 2016	12M 2015
EBITDA, excluding items affecting comparability	1,227	1,009	3,399	3,130	4,322	4,053
Depreciation, property, plant and equipment	-247	-185	-615	-541	-802	-728
EBITA, excluding items affecting comparability	980	824	2,784	2,589	3,520	3,325
Amortization, intangible assets	-65	-26	-129	-75	-160	-106
EBIT, excluding items affecting comparability	915	798	2,655	2,514	3,360	3,219
Items affecting comparability	-51	-109	-273	-167	-363	-257
EBIT	864	689	2,382	2,347	2,997	2,962

Balance Sheets

Group	Sep 30 2016	Sep 30 2015	Dec 31 2015
SEK M			
Property, plant and equipment	9,111	6,175	6,446
Intangible assets	21,904	12,005	12,227
Other financial assets	1,336	5,008	3,627
Total non-current assets	32,351	23,188	22,300
Inventories	4,982	3,999	3,758
Current operating receivables	7,204	5,936	5,387
Current interest-bearing receivables	709	187	393
Cash and cash equivalents	2,814	1,351	2,552
Total current assets	15,709	11,473	12,090
Total assets	48,060	34,661	34,390
Equity holders of the parent company	24,443	18,652	18,622
Non-controlling interest	-	0	0
Total equity	24,443	18,652	18,622
Non-current interest-bearing liabilities	6,984	4,927	5,302
Other non-current liabilities	1,972	1,212	1,213
Total non-current liabilities	8,956	6,139	6,515
Interest-bearing current liabilities	8,492	4,495	4,077
Other current liabilities	6,169	5,375	5,176
Total current liabilities	14,661	9,870	9,253
Total equity and liabilities	48,060	34,661	34,390

Specification of changes in equity	Sep 30 2016	Sep 30 2015	Dec 31 2015
SEK M			
<i>Attributable to equity holders of the parent company</i>			
Opening balance, January 1	18,622	17,767	17,767
Total comprehensive income	6,905	1,902	1,882
Acquisitions	-	-	-10
Dividend	-1,084	-1,017	-1,017
Closing balance	24,443	18,652	18,622
<i>Attributable to non-controlling interest</i>			
Opening balance, January 1	-	9	9
Total comprehensive income	-	1	1
Acquisitions	-	-10	-10
Closing balance	-	0	0
Sum total equity, closing balance	24,443	18,652	18,622

Specification of capital employed	Sep 30 2016	Sep 30 2015	Dec 31 2015
SEK M			
Total assets	48,060	34,661	34,390
Less:			
Interest-bearing receivables ¹⁾	1,088	358	564
Cash and cash equivalents	2,814	1,351	2,552
Tax assets	1,546	1,442	1,325
Operating liabilities	6,273	5,309	5,012
Capital employed	36,339	26,201	24,937
of which discontinuing operations	-105	3,992	2,683
Capital employed excluding discontinuing operations	36,444	22,209	22,254

¹⁾ including receivable relating to disposal of Vibracoustic

Cash flow statements

Group, SEK M	Q3 2016	Q3 2015	9M 2016	9M 2015	R12 2016	12M 2015
Operating activities						
EBIT incl part in associated companies	864	689	2,382	2,347	2,997	2,962
Adjustments for items not included in cash flow :						
Depreciation, property, plant and equipment	245	181	614	537	803	726
Amortization, intangible assets	64	26	129	75	161	107
Impairment losses, property, plant and equipment	5	23	56	23	54	21
Impairment losses, intangible assets	-	-	-	-	9	9
Dividend from associated companies	1	1	2	1	2	1
Part in associated companies and other non cash-flow affecting items	4	-4	0	-7	3	-4
Cash-flow effects from items affecting comparability	-	0	-	4	0	4
Interest received and other financial items	9	9	26	26	35	35
Interest paid and other financial items	-32	-31	-149	-133	-217	-201
Taxes paid	-178	-110	-427	-315	-584	-472
Cash flow from operating activities before changes in working capital	982	784	2,633	2,558	3,263	3,188
Cash flow from changes in working capital:						
Change in inventories	-48	-66	-123	-231	91	-17
Change in operating receivables	378	268	361	-502	870	7
Change in operating liabilities	-254	-186	-878	-256	-1,125	-503
Change in items affecting comparability	-7	32	-21	35	-24	32
Cash flow from operating activities	1,051	832	1,972	1,604	3,075	2,707
Investing activities						
Acquisitions	-123	-10	-12,104	-114	-12,671	-681
Discontinuing operations	6,185	6	6,185	33	7,542	1,390
Capital expenditure, property, plant and equipment	-256	-270	-610	-713	-1,138	-1,241
Capital expenditure, intangible assets	6	-12	-44	-41	-76	-73
Sale of non-current assets	10	26	23	47	35	59
Cash flow from investing activities	5,822	-260	-6,550	-788	-6,308	-546
Financing activities						
Change in interest-bearing investments	61	-32	-20	-200	-222	-402
Change in interest-bearing liabilities	-5,838	-399	5,855	617	5,922	684
Dividend - equity holders of the parent company	0	0	-1,084	-1,017	-1,084	-1,017
Cash flow from financing activities	-5,777	-431	4,751	-600	4,616	-735
Cash flow for the period	1,096	141	173	216	1,383	1,426
Cash and cash equivalents:						
At beginning of the period	1,675	1,246	2,552	1,141	1,351	1,141
Exchange rate differences	43	-36	89	-6	80	-15
Cash and cash equivalents at end of period	2,814	1,351	2,814	1,351	2,814	2,552

SEK M	Q3 2016	Q3 2015	9M 2016	9M 2015
Net sales				
Trelleborg Coated Systems	596	602	1,855	1,957
Trelleborg Industrial Solutions	1,199	1,215	3,803	3,913
Trelleborg Offshore & Construction	837	1,019	2,574	3,182
Trelleborg Sealing Solutions	2,148	2,060	6,395	6,393
Trelleborg Wheel Systems	1,855	1,037	4,471	3,295
Rubena Savatech	450	-	616	-
Group items	73	118	278	394
Eliminations	-86	-76	-281	-258
Total	7,072	5,975	19,711	18,876

EBIT, excluding items affecting comparability

Trelleborg Coated Systems	74	66	236	243
Trelleborg Industrial Solutions	114	124	386	419
Trelleborg Offshore & Construction	42	46	91	122
Trelleborg Sealing Solutions	467	463	1,469	1,484
Trelleborg Wheel Systems	204	132	546	373
Rubena Savatech	55	-	81	-
Group items	-41	-33	-154	-127
Total	915	798	2,655	2,514

EBIT %, excluding items affecting comparability

Trelleborg Coated Systems	12.4	11.0	12.7	12.4
Trelleborg Industrial Solutions	9.5	10.2	10.1	10.7
Trelleborg Offshore & Construction	5.1	4.6	3.5	3.8
Trelleborg Sealing Solutions	21.7	22.4	23.0	23.2
Trelleborg Wheel Systems	11.0	12.7	12.2	11.3
Rubena Savatech	12.1	-	13.1	-
Total	12.9	13.4	13.5	13.3

Net sales per market, share and organic growth, %	Q3 2016	Q3 2015	9M 2016	9M 2015
Western Europe (48%)	-7	-2	-5	-2
Other Europe (6%)	7	0	6	-8
North America (24%)	-3	-15	-8	-7
South and Central America (4%)	0	10	-7	19
Asia and other markets (18%)	-7	9	-4	1
Total (100% refer to share 2015)	-5	-3	-5	-2

Net sales per market excl. project related ¹⁾ , organic growth, %	Q3 2016	Q3 2015	9M 2016	9M 2015
Western Europe	-4	-2	-3	-4
Other Europe	2	1	5	2
North America	-8	-6	-7	-4
South and Central America	14	7	3	-2
Asia and other markets	19	-6	8	0
Total	-1	-4	-2	-3

¹⁾ Project deliveries refer to the whole of Trelleborg Offshore & Construction and minor parts of Trelleborg Industrial Solutions' operations.

SEK M	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Net sales									
Trelleborg Coated Systems	596	628	631	602	602	672	683	542	442
Trelleborg Industrial Solutions	1,199	1,321	1,283	1,204	1,215	1,358	1,340	1,280	1,267
Trelleborg Offshore & Construction	837	835	902	1,149	1,019	1,174	989	954	917
Trelleborg Sealing Solutions	2,148	2,120	2,127	1,909	2,060	2,129	2,204	1,845	1,929
Trelleborg Wheel Systems	1,855	1,472	1,144	1,020	1,037	1,136	1,122	976	1,008
Rubena Savatech	450	166	-	-	-	-	-	-	-
Group items	73	98	107	111	118	149	127	70	134
Eliminations	-86	-96	-99	-68	-76	-87	-95	-75	-79
Total	7,072	6,544	6,095	5,927	5,975	6,531	6,370	5,592	5,618

EBIT, excluding items affecting comparability

Trelleborg Coated Systems	74	86	76	74	66	87	90	63	43
Trelleborg Industrial Solutions	114	149	123	141	124	154	141	141	136
Trelleborg Offshore & Construction	42	26	23	77	46	68	8	53	71
Trelleborg Sealing Solutions	467	506	496	401	463	496	525	407	433
Trelleborg Wheel Systems	204	186	156	95	132	125	116	103	106
Rubena Savatech	55	26	-	-	-	-	-	-	-
Group items	-41	-80	-33	-83	-33	-47	-47	-77	-59
Total	915	899	841	705	798	883	833	690	730

EBIT %, excluding items affecting comparability

Trelleborg Coated Systems	12.4	13.7	12.1	12.3	11.0	12.9	13.2	11.8	9.7
Trelleborg Industrial Solutions	9.5	11.3	9.6	11.7	10.2	11.4	10.5	11.0	10.8
Trelleborg Offshore & Construction	5.1	3.1	2.6	6.6	4.6	5.8	0.8	5.5	7.7
Trelleborg Sealing Solutions	21.7	23.8	23.3	21.0	22.4	23.3	23.8	22.1	22.4
Trelleborg Wheel Systems	11.0	12.6	13.6	9.3	12.7	11.0	10.3	10.5	10.6
Rubena Savatech	12.1	15.6	-	-	-	-	-	-	-
Total	12.9	13.7	13.8	11.9	13.4	13.5	13.1	12.3	13.0
Items affecting comparability	-51	-107	-115	-90	-109	-23	-35	-68	-41
EBIT	864	792	726	615	689	860	798	622	689

Bridge net sales SEK M, %	Q3 2015, SEK M	Organic sales, %	Structural change, %	Currency effects, %	Q3 2016, SEK M
Trelleborg Coated Systems	602	-2	-	1	596
Trelleborg Industrial Solutions	1,215	-3	2	0	1,199
Trelleborg Offshore & Construction	1,019	-22	8	-4	837
Trelleborg Sealing Solutions	2,060	0	4	0	2,148
Trelleborg Wheel Systems	1,037	1	78	0	1,855
Rubena Savatech	-	-	100	-	450
Group items/eliminations	42	-	-	-	-13
Total	5,975	-5	24	-1	7,072

Exchange rate differences impacting EBIT excluding items affecting comparability ¹⁾ , SEK M	Q3 2016	9M 2016
Trelleborg Coated Systems	3	-3
Trelleborg Industrial Solutions	-1	-11
Trelleborg Offshore & Construction	-5	-13
Trelleborg Sealing Solutions	-4	-25
Trelleborg Wheel Systems	-9	-22
Rubena Savatech	-	-
Group items	2	8
Total	-14	-66

¹⁾ Impact on EBIT excluding items affecting comparability in translation of foreign subsidiaries.

Income Statements, SEK M	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Net sales	7,072	6,544	6,095	5,927	5,975	6,531	6,370	5,592	5,618
Cost of goods sold	-4,749	-4,269	-3,984	-3,956	-3,983	-4,332	-4,251	-3,779	-3,755
Gross profit	2,323	2,275	2,111	1,971	1,992	2,199	2,119	1,813	1,863
Selling expenses	-591	-558	-524	-480	-502	-537	-525	-467	-468
Administrative expenses	-757	-712	-658	-724	-651	-694	-662	-626	-611
Research and development costs	-100	-105	-100	-101	-91	-95	-96	-88	-84
Other operating income/costs	36	-3	12	38	50	9	-3	59	29
Profit from associated companies	4	2	0	1	0	1	0	-1	1
EBIT, excluding items affecting comparability	915	899	841	705	798	883	833	690	730
Items affecting comparability	-51	-107	-115	-90	-109	-23	-35	-68	-41
EBIT	864	792	726	615	689	860	798	622	689
Financial income and expenses	-46	-63	-47	-43	-34	-41	-35	-33	-34
Profit before tax	818	729	679	572	655	819	763	589	655
Tax	-187	-192	-150	-132	-170	-200	-211	-161	-182
Net profit in continuing operations	631	537	529	440	485	619	552	428	473
Net profit in discontinuing operations	-	4,369	-	104	131	137	137	73	100
Total net profit	631	4,906	529	544	616	756	689	501	573
- equity holders of the parent company	631	4,906	529	544	616	755	688	501	571
- non-controlling interest	0	0	0	0	0	1	1	0	2
Earnings per share, SEK	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Continuing operations	2.33	1.98	1.95	1.62	1.80	2.28	2.03	1.58	1.74
Discontinuing operations	0.00	16.12	0.00	0.38	0.48	0.50	0.51	0.27	0.37
Group, total	2.33	18.10	1.95	2.00	2.28	2.78	2.54	1.85	2.11
Continuing operations, excluding items affecting comparability	2.46	2.31	2.23	1.84	2.07	2.35	2.13	1.78	1.89

Acquisitions

Carrying amounts of identifiable acquired assets and assumed liabilities

Acquisition of CGS

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. Mitas will be integrated into the Trelleborg Wheel Systems business area. The other businesses will be recognized separately from Trelleborg's business areas during a transition period, before being gradually integrated into the current business areas. The total cash consideration amounted to approximately SEK 10.9 billion on a cash and debt-free basis. CGS is headquartered in the Czech Republic and generated sales of approximately SEK 5.6 billion in 2015 with an EBIT margin of 16.5 percent. The transaction will be consolidated from May 31, 2016. As a result of this acquisition, Trelleborg will almost double its sales in agricultural tires, strengthen its leading position in industrial tires and add new positions in complementary specialty tires segments. CGS's engineered polymer solutions add new interesting positions as well as strengthen Trelleborg's existing leading positions in several of the Group's current business areas.

CGS Holding a.s.

SEK M	9M 2016		
	Book value	Adjustment to fair value	Fair value
Developed technology ¹⁾		206	206
Trademarks ²⁾	5	1,296	1,301
Customer relationships ³⁾		1,164	1,164
Other intangible assets	15		15
Property, plant and equipment	2,284	-160	2,124
Deferred tax assets	27		27
Shares in associated companies	67		67
Interest-bearing receivables	4		4
Inventories	893		893
Operating receivables	1,749		1,749
Current tax asset	34		34
Cash and cash equivalents	277		277
Deferred tax liabilities	-45	-228	-273
Post employment benefits	-31		-31
Provision obligations	-97		-97
Current tax liability	-100		-100
Operating liabilities	-1,486		-1,486
Net assets	3,596	2,278	5,874
Goodwill			5,043
Total purchase price	3,596	2,278	10,917
Cash and other net debt in acquired operations			-281
Impact shown in cash flow statement	3,596	2,278	10,636

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

²⁾ The value of brands considered to have an indefinite useful life and thus no amortization takes place

³⁾ Excess value of customer relationships are amortized over 15 years

The above goodwill is attributable to purchase-specific synergies, the value of new future customers, the value of new technologies and the manpower existing in CGS. The fair value of acquired, identifiable, intangible assets is preliminary.

Other acquisitions

In addition to CGS, four acquisitions have been carried out during the year:

First quarter

Through the Trelleborg Industrial Solutions business area, Trelleborg signed an agreement and finalized the acquisition of 100 percent of Loggers Rubbertechniek B.V., a privately owned engineering company based in the Netherlands, which offers specially developed antivibration solutions, mainly for marine applications.

Second quarter

Through the Trelleborg Sealing Solutions business area, Trelleborg signed an agreement and finalized the acquisition of 100 percent of Specialty Silicone Fabricators Inc. (SSF), a U.S.-based privately owned manufacturer of high-precision silicone components for medical technology original equipment manufacturers (OEMs).

Third quarter

Through the Trelleborg Wheel Systems business area, Trelleborg has signed an agreement and finalized the acquisition of 100 percent of International Tyre and Wheel Solutions Ltd. (ITWS). ITWS is a UK-based privately owned distributor of large solid off-the-road (OTR) tires for the waste, recycling and demolition industries. The acquisition complements the recent acquisition of Mitas pneumatic construction tires and gives Trelleborg a clear and broad offering in both pneumatic and solid tires across Europe, the Middle East and Africa.

Through the Trelleborg Sealing Solutions business area, Trelleborg has signed an agreement and finalized the acquisition of 100 percent of the privately owned U.S.-based Anderson Seal LLC. The business specializes in the distribution and service of seals, gaskets and custom-molded products for Original Equipment Manufacturers (OEMs) in several industries. The acquisition will increase Trelleborg's presence in the Midwestern United States.

In addition, certain adjustments were made to the acquisitions analyses due to acquisitions carried out at the end of 2015.

Other acquisitions

SEK M	9M 2016		
	Book value	Adjustment to fair value	Fair value
Developed technology ¹⁾		38	38
Customer relationships ²⁾		403	403
Property, plant and equipment	307		307
Deferred tax assets	31		31
Interest-bearing receivables	10		10
Inventories	81		81
Operating receivables	87		87
Cash and cash equivalents	109		109
Deferred tax liabilities	-1	-166	-167
Interest-bearing liabilities	-13		-13
Provision obligations	-15	-	-15
Current tax liability			
Operating liabilities	-103		-103
Net assets	493	275	768
Goodwill			808
Total purchase price			1,576
Cash and other net debt in acquired operations			-108
Impact shown in cash flow statement			1,468

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

²⁾ Excess value of customer relationships are amortized over 12-15 years

The above goodwill of SEK 808 M pertaining to "Other acquisitions", which was recognized in 2016, was 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.

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

At September 30, 2016 SEK M	Derivatives valued at fair value in profit and loss		Derivatives used for hedging purposes		
	Carrying amount	Measure- ment level	Carrying amount	Measure- ment level	Total
Accounts receivable and other receivables	7	2	24	2	31
Current interest-bearing receivables	176	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

At September 30, 2015 SEK M	Derivatives valued at fair value in profit and loss		Derivatives used for hedging purposes		
	Carrying amount	Measure- ment level	Carrying amount	Measure- ment level	Total
Accounts receivable and other receivables	15	2	7	2	22
Current interest-bearing receivables	17	2	35	2	52
Total assets	32		42		74
Other non-current liabilities	-		135	2	135
Non-current interest-bearing liabilities	10	2	-	-	10
Interest-bearing current liabilities	5	2	90	2	95
Accounts payable and other liabilities	23	2	6	2	29
Total liabilities	38		231		269

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

Income statements, SEK M	Q3 2016	Q3 2015	9M 2016	9M 2015	R12 2016	12M 2015
Administrative expenses	-69	-59	-209	-182	-307	-280
Other operating income	41	44	322	325	392	395
Other operating expenses	-16	-19	-51	-49	-227	-225
EBIT	-44	-34	62	94	-142	-110
Financial income and expenses	49	310	8	479	-61	410
Profit before tax	5	276	70	573	-203	300
Appropriations	-	-	-	-	567	567
Tax	34	30	60	57	6	3
Net profit	39	306	130	630	370	870

Statements of comprehensive income, SEK M	Q3 2016	Q3 2015	9M 2016	9M 2015	R12 2016	12M 2015
Net profit	39	306	130	630	370	870
Total comprehensive income	39	306	130	630	370	870

Balance sheets SEK M	Sep 30	Sep 30	Dec 31
	2016	2015	2015
Property, plant and equipment	17	20	19
Intangible assets	2	3	3
Financial assets	35,674	35,812	35,760
Total non-current assets	35,693	35,835	35,782
Current receivables	160	103	107
Current tax asset	2	2	-
Interest-bearing receivables	1	1	622
Cash and cash equivalents	0	0	0
Total current assets	163	106	729
Total assets	35,856	35,941	36,511
Shareholders' equity	10,375	11,090	11,329
Total equity	10,375	11,090	11,329
Untaxed reserves	-	-	-
Interest-bearing non-current liabilities	4,374	4,382	4,378
Other non-current liabilities	22	14	29
Total non-current liabilities	4,396	4,396	4,407
Interest-bearing current liabilities	20,946	20,324	20,590
Other current liabilities	139	131	185
Total current liabilities	21,085	20,455	20,775
Total equity and liabilities	35,856	35,941	36,511

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 liabilities.¹⁾

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.

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.

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

Glossary

OEM Original Equipment Manufacturer, the end producer of, for example, a tractor.

Plastics can be divided into two main groups: **Thermo-plastics** 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.

Core 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		Transport equipment	Infrastructure		Aerospace	Capital intensive industry	Light Vehicles
	Oil & gas	Agriculture		construction				
Trelleborg Coated Systems	81%		3%			14%	17%	2%
Trelleborg Industrial Solutions	65%	3%	9%			14%		26%
Trelleborg Offshore & Construction		66%			34%		100%	
Trelleborg Sealing Solutions	45%	2%	7%	4%		15%	28%	27%
Trelleborg Wheel Systems			51%	49%			100%	
Total	38%	13%	13%	10%	9%	6%	51%	11%

Net sales per market segment and business area based on 2015, excluding acquisitions carried out in 2016

The Trelleborg Group's operations

Continuing operations

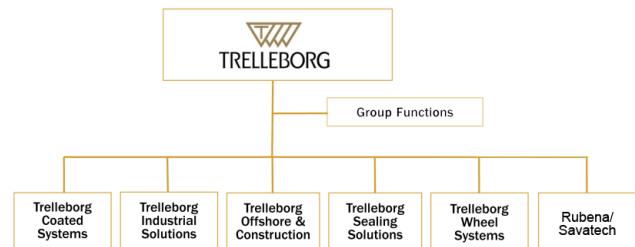
Refers to operations within Trelleborg's five business areas: Trelleborg Coated Systems, Trelleborg Industrial Solutions, Trelleborg Offshore & Construction, Trelleborg Sealing Solutions and Trelleborg Wheel Systems, as well as the Rubena Savatech business. In addition, it includes central staff functions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

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 25 at 10:30 a.m. CET

A presentation and telephone conference will be held on October 25 at 10:30 a.m. CET. The presentation will take place at Operaterrassen in Stockholm, Sweden. To participate in the telephone conference, call +46 8 566 426 95 (Sweden), +44 203 008 9809 (U.K.) or +1 855 831 5944 (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

Capital Markets Day (Stockholm)	December 15, 2016
Year-end report 2016	February 1, 2017
Annual Report 2016	Week starting March 13, 2017
Interim report January-March 2017	April 27, 2017
Annual General Meeting 2017	April 27, 2017
Interim report April-June 2017	July 20, 2017

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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 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 7:45 am CET on October 25, 2016.

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