

Q4

Interim report and year-end report 2017

Growth and better earnings

Fourth quarter 2017

- Net sales for the fourth quarter of 2017 rose 4 percent to SEK 7,708 M (7,434).
- Organic sales increased 7 percent. Excluding project deliveries, the corresponding increase was 9 percent.
- EBIT, excluding items affecting comparability, rose 10 percent to SEK 928 M (841), which was the highest figure ever for the Group for a fourth quarter. This was equivalent to an EBIT margin of 12.0 percent (11.3).
- Items affecting comparability for the quarter were a negative net amount of SEK 314 M (neg: 118) and comprise the following:
 - Restructuring expenses of SEK 781 M in line with information previously communicated, the majority of which relates to the consolidation of U.S. manufacturing in offshore and the corresponding operation in England. Refer to page 7.
 - Additional payment related to Vibracoustic of SEK 689 M that will be received in the second quarter of 2018. The amount exceeds expectations and yields a positive earnings effect of SEK 467 M. Refer to page 7.
- The Group's tax expense in the quarter totaled SEK 284 M (expense: 151), impacted by a negative non-recurring item of SEK 129 M related to a tax reform in the U.S. passed at the end of December 2017. Refer to page 8.
- Earnings per share for continuing operations excluding items affecting comparability totaled SEK 2.31 (2.23) ².
- Operating cash flow amounted to SEK 1,208 M (1,331). The cash conversion ratio for the most recent 12-month period was 90 percent (99).

SEK M	Q4 2017	Q4 2016	Change, %	12M 2017	12M 2016	Change, %
Net sales	7,708	7,434	4	31,581	27,145	16
Organic sales, %	7	-4		4	-5	
EBITA, excluding items affecting comparability	1,002	916	9	4,385	3,700	19
EBITA margin, %	13.0	12.3		13.9	13.6	
EBIT, excluding items affecting comparability	928	841	10	4,091	3,496	17
EBIT margin, %	12.0	11.3		13.0	12.9	
<i>Restructuring costs</i>	-781	-118		-1,008	-391	
<i>Capital gain divestment of compounding operation</i>	-	-		472	-	
<i>Profit impact on receivable related to Vibracoustic</i>	467	-		467	-	
Items affecting comparability	-314	-118		-69	-391	
EBIT	614	723	-15	4,022	3,105	30
Profit before tax	557	670	-17	3,792	2,896	31
Net profit, discontinuing operations ¹	-	0		-	4,369	
Net profit, Group	273	519	-47	2,874	6,585	-56
Earnings per share, SEK						
Continuing operations, excluding items affecting comparability ²	2.31	2.23	4	10.82	9.23	17
Continuing operations	1.01	1.92	-47	10.60	8.18	30
Group	1.01	1.92	-47	10.60	24.30	-56
Operating cash flow ³	1,208	1,331	-9	3,688	3,460	7

¹ Relates to Vibracoustic

² Earnings per share for the full year 2017 has been adjusted by SEK +0.22, which refers to items affecting comparability after tax, as well as an one-off cost attributable to the US Tax Reform.

³ Continuing operations

Full-year 2017

- Net sales for full-year 2017 increased 16 percent to SEK 31,581 M (27,145). Organic sales rose 4 percent. Effects of structural changes made a positive contribution of 12 percent.
- EBIT, excluding items affecting comparability, rose 17 percent to SEK 4,091 M (3,496), which was the highest figure ever for the Group for a full year. This corresponds to an EBIT margin of 13.0 percent (12.9).
- Items affecting comparability were a negative net amount of SEK 69 M (neg: 391). The amount includes restructuring expenses in the negative amount of SEK 1,008 M in line with information previously communicated, the capital gain of SEK 472 M from the divestment of the compounding operation in Lesina in the Czech Republic and a positive earnings effect from an upward adjustment of SEK 467 M to a receivable related to the divestment of Vibracoustic. Refer to page 7.
- Earnings per share for continuing operations rose 30 percent to SEK 10.60 (8.18).
- Net profit for the Group totaled SEK 2,874 M (6,585), with the preceding year being positively impacted by the divestment of Vibracoustic.
- The tax expense for the year was impacted by a negative non-recurring item of SEK 129 M related to a tax reform in the U.S. passed at the end of December 2017. Refer to page 8.
- Operating cash flow for continuing operations amounted to SEK 3,688 M (3,460), up 7 percent.

Market outlook for the first quarter 2018

Demand is expected to be on a par with the fourth quarter of 2017, adjusted for seasonal variations.

Market outlook from the interim report published on October 27, 2017, relating to the fourth quarter of 2017

Demand is expected to be on a par with, or slightly better than, the third quarter of 2017, adjusted for seasonal variations.

Dividend 2017

The Board of Directors proposes a cash dividend of SEK 4.50 per share (4.25).

Growth and better earnings

“Trelleborg is reporting yet another strong year. Sales increased 16 percent, with structural growth contributing 12 percent, at the same time as organic sales rose 4 percent. EBIT, operating profit excluding items affecting comparability, increased 17 percent year on year. Sales in the fourth quarter developed well and increased 4 percent, comprising organic sales growth of 7 percent and a negative currency effect of 3 percent. The corresponding EBIT rose 10 percent in the fourth quarter.

The favorable trend is the result of several of our market segments improving during the year, and maintaining a focus on continuous operational improvement in all dimensions. The agricultural sector gained momentum in Europe during the year, primarily OEMs, and we are hopeful that the North American market will once again start growing following several years of decline. Our deliveries to the aerospace industry remained healthy, although we observed indications of bottlenecks in the sub-supplier stage in the second half of the year, which partially impacted us too.

The year also held many challenges, including a sharp upward trend in the price of raw materials early on that turned downwards later during the year – although we could see a clear increase in raw material prices over the entire year. We compensated for the higher raw material prices in a satisfactory manner, albeit with a certain natural delay. We experienced continued challenging market conditions for some of our businesses, including the oil & gas segment.

We do not anticipate any improvement in the near future for parts of our oil & gas operation. We are therefore continuing to adapt the business and a decision on a number of strategic measures was taken during the fourth quarter. We announced, among other actions, a consolidation of our U.S. manufacturing of buoys for drilling equipment in deep-water environments with our similar operation in England. These measures aim to build a more effective structure that we will benefit from when the market gradually improves.

Trelleborg continued to improve its positions by focusing on selected segments and applications. We are pursuing several initiatives for organic growth, and complementing these with acquisitions that accelerate the process. The rate of investment has never been higher than it is now; we are investing in new facilities and new technology and increasing the capacity of existing facilities. A great deal of effort was also put into ensuring that our acquisitions over the past few years are being integrated in a forward-looking and structurally correct manner. In parallel, we are intensifying our ambitions to utilize new technologies, not least connected to digital solutions, to make it even easier to do business with us.

During the year, there were also a change-of-generation among our business area presidents, resulting in a partial renewal of Group Management. I view the fact that we were able to fill these positions through an internal recruitment as a sign of strength. We work consistently to be able to offer our employees internal development opportunities and our activities within the scope of our Trelleborg Group University continued during the year.

We have also reduced our level of indebtedness to below the level before the major acquisition of CGS in 2016. In other words, net debt has decreased by a full SEK 2.5 billion during the year. We have succeeded in achieving this more rapidly than we expected when the acquisition was made, driven by continued healthy cash generation and occasional divestments. This creates favorable scope for action for us moving forward.

Now, however, 2017 is behind us and we look ahead with confidence to the next step in our journey toward a bigger, better and more profitable Group. Our assessment is that demand in the first quarter of 2018 will be on a par with the fourth quarter of 2017. As previously, 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

Fourth quarter

Net sales

2017

SEK M, growth	Q4 2017	Q4 2016	12M 2017	12M 2016
Net sales	7,708	7,434	31,581	27,145
Change total, %	4	25	16	9
Organic sales, %	7	-4	4	-5
Structural change, %	0	26	12	15
Currency effects, %	-3	3	0	-1

Net sales for the fourth quarter of 2017 amounted to SEK 7,708 M (7,434). Organic sales increased 7 percent during the quarter, driven by improved demand in several market segments. Effects from structural changes were marginal. Exchange rate effects accounted for a negative 3-percent impact on sales compared with the year-earlier period.

Excluding project deliveries¹:

The Group's organic sales increased 9 percent year on year. Organic sales in Western Europe rose 9 percent compared with the year-earlier period. In the rest of Europe, organic sales increased 8 percent. Organic sales rose 11 percent in North America, while an increase of 9 percent was noted in South & Central America. Asia and other markets reported an increase in organic sales of 6 percent.

¹ Project deliveries refer to the whole of Trelleborg Offshore & Construction and minor parts of Trelleborg Industrial Solutions operations. Overall, project deliveries account for approximately 10 percent of the Group's net sales.

Result

SEK M	Q4 2017	Q4 2016	Change, %	12M 2017	12M 2016	Change, %
EBITA, excluding items affecting comparability	1,002	916	9	4,385	3,700	19
EBITA margin, %	13.0	12.3		13.9	13.6	
EBIT, excluding items affecting comparability	928	841	10	4,091	3,496	17
EBIT margin, %	12.0	11.3		13.0	12.9	
Restructuring costs	-781	-118		-1,008	-391	
Capital gain divestment of compounding operation	-	-		472	-	
Profit impact on receivable related to Vibracoustic	467	-		467	-	
Items affecting comparability	-314	-118		-69	-391	
EBIT	614	723	-15	4,022	3,105	30
Financial income and expenses	-57	-53	-8	-230	-209	-10
Profit before tax	557	670	-17	3,792	2,896	31
Taxes	-284	-151	-88	-918	-680	-35
Net profit, discontinuing operations ¹	-	0		-	4,369	
Net profit, Group	273	519	-47	2,874	6,585	-56

¹ Relates to Vibracoustic.

EBITA, excluding items affecting comparability, totaled SEK 1,002 M (916), corresponding to a margin of 13.0 percent (12.3).

EBIT, excluding items affecting comparability, amounted to SEK 928 M (841) for the fourth quarter, a year-on-year increase of 10 percent. The total exchange rate effects on EBIT, excluding items affecting comparability, from the translation of foreign subsidiaries had a negative impact of SEK 34 M on earnings compared with the year-earlier period. The EBIT margin, excluding items affecting comparability, amounted to 12.0 percent (11.3).

As previously announced, it was decided to consolidate the Group's U.S. manufacturing in offshore oil & gas with its counterpart in England during the quarter. Refer to page 7. Items affecting comparability during the quarter amounted to an expense of SEK 314 M (expense: 118). These items consist of costs of SEK 561 M related to the consolidation of the Group's

subsea buoys business in the Trelleborg Offshore & Construction business area, other restructuring costs of SEK 220 M, and a positive effect of SEK 467 M attributable to an additional consideration from the divestment of Vibracoustic in 2016. Refer to page 7.

EBIT for the quarter, including items affecting comparability, amounted to SEK 614 M (723), down 15 percent.

The net financial expense was SEK 57 M (expense: 53), corresponding to an interest rate of 2.2 percent (1.8).

Net profit for the Group totaled SEK 273 M (519). Excluding items affecting comparability, the tax rate for the quarter was 43 percent (23), impacted by a negative non-recurring item of SEK 129 M related to the U.S. tax reform. Refer to page 8. Excluding the U.S. tax reform and items affecting comparability, the underlying tax rate was 27 percent.

Return on capital employed

%	R12 2017	R12 2016
Excluding items affecting comparability	10.8	11.3
Including items affecting comparability	10.6	10.0

Capital employed for continuing operations increased year on year to SEK 37,331 M (37,670).

The return on capital employed, excluding items affecting comparability, was 10.8 percent (11.3), impacted by acquisitions.

Cash flow

SEK M	Q4 2017	Q4 2016	Change, %	12M 2017	12M 2016	Change, %
EBITDA, operating profit before depreciation	1,248	1,166	7	5,382	4,565	18
Capital expenditure	-750	-494	-52	-1,437	-1,148	-25
Sold non-current assets	23	14		37	37	
Change in working capital	688	649		-279	9	
Dividend from associated companies	1	0		2	2	
Non cash-flow affecting items	-2	-4		-17	-5	
Operating cash flow	1,208	1,331	-9	3,688	3,460	7
Cash impact from items affecting comparability	-80	-88		-275	-326	
Financial items	-51	-50		-247	-173	
Paid tax	-162	-166		-732	-593	
Free cash flow	915	1,027	-11	2,434	2,368	3
Acquisitions	-123	-1,276		-226	-13,380	
Disposed/discontinuing operations ¹	-	-20		649	6,165	
Dividend - equity holders of the parent company	-	-		-1,152	-1,084	
Sum net cash flow	792	-269	394	1,705	-5,931	

¹ 12M 2017 relates to divestment of compounding operation in Lesina, Czech Republic. The amount in 2016 represents the payment for the divestment of Vibracoustic.

Operating cash flow was slightly lower year on year and amounted to SEK 1,208 M (1,331), affected mainly by a higher investment rate. The cash conversion ratio for the most recent 12-month period was 90 percent (99).

Free cash flow amounted to SEK 915 M (1,027).

The net cash flow for the quarter amounted to SEK 792 M (neg: 269), with 2016 mainly being impacted by the majority of acquisitions.

Net debt

Change in net debt, SEK M	12M 2017	12M 2016
Net debt, opening balance	-12,125	-6,282
Net cash flow for the period	1,705	-5,931
Exchange rate differences	360	-597
Receivable related to the divestment of Vibracoustic ¹	467	685
Net debt, closing balance	-9,593	-12,125
Debt/equity ratio, %	35	48
Net debt/EBITDA		
Continuing operations, excluding items affecting comparability	1.8	2.7
Continuing operations, including items affecting comparability	1.7	2.9
Total Group	1.7	1.4

¹ A final part payment of SEK 689 M relating to the divestment of the stake in Vibracoustic in summer 2016. This part payment was already recognized as a receivable amounting to SEK 222 M, which is why the surplus amount generates a positive earnings effect of SEK 467 M. The proceeds are expected to be received in the second quarter of 2018.

Since the beginning of the year, net debt has decreased SEK 2,532 M, affected by net cash flow for the year, positive exchange rate differences and an upward adjustment of the receivable related to the divestment to Vibracoustic in 2016. The payment for this will be received in the second quarter of 2018.

The debt/equity ratio at the end of the period was 35 percent (48).

Net debt in relation to EBITDA, excluding items affecting comparability, amounted to 1.8 (2.7). The ratio for the Group as a whole was 1.7 (1.4).

Return on equity

%	R12 2017	R12 2016
Continuing operations, excluding items affecting comparability	11.2	11.4
Continuing operations, including items affecting comparability	11.0	10.1
Total Group ¹	11.0	30.1

¹ R12 2016 include the capital gain from the disposal of Vibracoustic.

Shareholders' equity for the Group at the close of the period amounted to SEK 27,216 M (25,137 at January 1, 2017). Equity per share amounted to SEK 100 (93), up 8 percent. The equity/assets ratio was 56 percent (52). The total return on

shareholders' equity for the Group was 11.0 percent (30.1), with the year-earlier period being positively affected by the capital gain in connection with the divestment of Vibracoustic.

Earnings per share

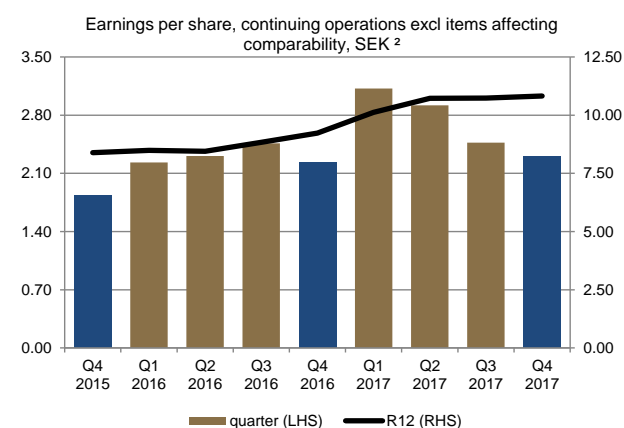
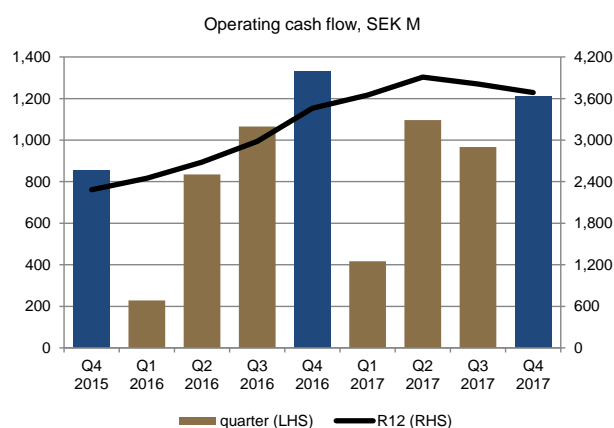
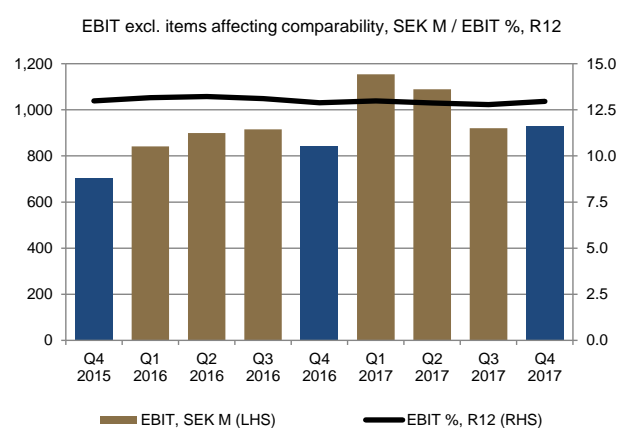
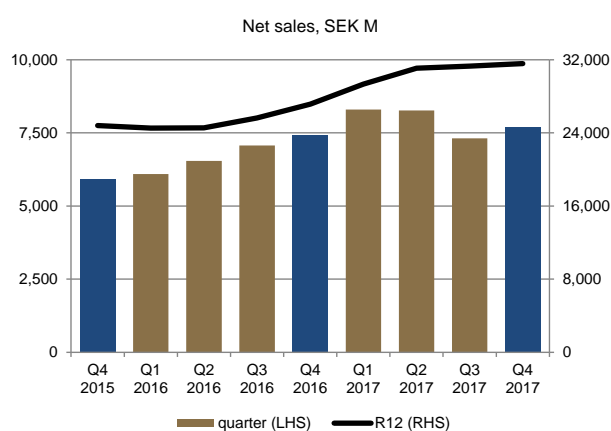
Earnings per share, SEK ¹	Q4 2017	Q4 2016	12M 2017	12M 2016
Continuing operations	1.01	1.92	10.60	8.18
Discontinuing operations	0.00	0.00	0.00	16.12
Group, total	1.01	1.92	10.60	24.30
Continuing operations, excluding items affecting comparability ²	2.31	2.23	10.82	9.23

¹ No dilution effects arose

² Earnings per share for the full year 2017 has been adjusted by SEK +0.22, which refers to items affecting comparability after tax, as well as an one-off cost attributable to the US Tax Reform.

Earnings per share for continuing operations excluding items affecting comparability during the fourth quarter totaled SEK 2.31 (2.23).

For the Group in total, earnings per share amounted to SEK 1.01 (1.92).



Full-year 2017

Net sales totaled SEK 31,581 M (27,145), up 16 percent year on year. Organic sales increased 4 percent. Effects of structural changes made a positive contribution of 12 percent. Exchange rate effects were marginal compared with the year-earlier period.

EBIT excluding items affecting comparability was SEK 4,091 M (3,496). Items affecting comparability amounted to a net expense of SEK 69 M (expense: 391). The amount includes restructuring costs of a negative SEK 1,008 M, the capital gain from the divestment of the compounding operation in Lesina in the Czech Republic of SEK 472 M and the effects from the upward adjustment of a receivable of SEK 467 M related to the divestment of Vibracoustic.

EBIT was SEK 4,022 M (3,105).

The financial net expense was SEK 230 M (expense: 209), corresponding to an average interest rate of 2.1 percent (2.0). Profit before tax totaled SEK 3,792 M (2,896).

The tax expense for the year was SEK 918 M (expense: 680 M) impacted by the tax reform passed in the U.S. Excluding items affecting comparability, the tax rate for 2017 was 27 percent (24). The underlying tax rate, excluding the U.S. tax reform and items affecting comparability, was 25 percent. Net profit for the Group totaled SEK 2,874 M (6,585). 2016 included net profit for discontinuing operations relating to Vibracoustic in the amount of SEK 4,369 M.

Total earnings per share for the Group were SEK 10.60 (24.30).

Significant events during the quarter

Acquisition of tire service company for material handling and construction vehicles. Trelleborg Wheel Systems signed an agreement and finalized the acquisition of White Baumaschinenreifen GmbH. The company specializes in the service, fitting and repair of pneumatic and solid tires for construction vehicles in Germany. The acquisition further strengthens and enlarges Trelleborg's European distribution network for tires for materials handling and construction vehicles.

The acquired company is located in Duisburg, Germany. Sales amounted to approximately SEK 90 M in 2016. This bolt-on acquisition is part of Trelleborg's strategy to strengthen its positions in attractive market segments.

The press release was published on November 2, 2017.

Consolidation of the manufacturing of subsea buoys.

Trelleborg announced a number of strategic measures in order to secure its leading position and competitiveness in the offshore oil & gas segment, whose market conditions have been challenging for a long time and still are.

Trelleborg decided to gradually discontinue the manufacturing of subsea buoys for drilling equipment in deep-water environments in Houston, Texas, U.S. Production equipment will be transferred and consolidated to the existing operations in Skelmersdale, England, whose manufacturing focuses on other types of deep-water buoys and engineered polymer solutions. The U.S. sales and engineering organization will be retained.

Restructuring costs related to the Trelleborg Offshore & Construction business area are recognized as an expense in the fourth quarter of 2017 in an amount of about SEK 561 M, and will be recognized as an item affecting comparability. The amount consists of SEK 353 M attributable to impairment of intangible assets, SEK 56 M attributable to impairment of operating assets, and SEK 152 M in other restructuring costs. The total impairment losses of SEK 409 M will not impact cash flow.

The changes are expected to improve earnings for the operations concerned by approximately SEK 100 M per year under the prevailing market conditions, at the same time as the adapted structure is expected to contribute toward further earnings improvements when the market recovers.

The press release was published on November 28, 2017. Note that the figures for the restructuring costs above have been confirmed and hence updated since the press release.

Fredrik Meuller steps down as Business Area President of Trelleborg Group. As part of the changes at the Trelleborg Offshore & Construction business area, Trelleborg and Fredrik Meuller jointly decided that Fredrik will leave his position as Business Area President on December 31, 2017 following 15 years at the company. However, he will remain within the Group during a transitional period to assist in the handover. President and CEO Peter Nilsson will become acting Business Area President for Trelleborg Offshore & Construction.

The press release was published on November 28, 2017.

Finalized the acquisition of manufacturer of advanced composite components. Trelleborg Sealing Solutions finalized the acquisition of the U.S.-based privately owned Automated Dynamics that specializes in the manufacturing of advanced composite components for particularly demanding applications. These composites are a strategic, adjacent technology for Trelleborg with high potential in a multiple of industries, such as aerospace and chemical applications, and in the long run also for other markets.

The company is located in Niskayuna, New York. Sales amounted to approximately SEK 65 M in 2016. This bolt-on acquisition is part of Trelleborg's strategy to strengthen its positions in attractive market segments.

The transaction was consolidated as of December 12, 2017.

Press releases were published on June 23, 2017 and December 13, 2017.

Additional payment for Vibracoustic. The second of two additional payments related to the divestment of Vibracoustic amounted to SEK 689 M. The amount is above expectations and generated a positive earnings effect of SEK 467 M. The additional payment was previously recognized as a receivable amounting to SEK 222 M. The receivable is now being adjusted upward by SEK 467 M pending payment, which will be received in the second quarter of 2018.

The total purchase price for Trelleborg's 50-percent stake in Vibracoustic therefore amounts to approximately SEK 7.4 billion, representing a higher purchase price than originally estimated, and is the result of a favorable sales trend for Vibracoustic during 2016-2017. In addition to the purchase price, Trelleborg received a dividend from Vibracoustic of about SEK 1.4 billion in December 2015.

The press release about the divestment was published on July 5, 2016.

Effects of U.S. tax reform. The Tax Cuts and Jobs Act was passed in the U.S. on December 22, 2017. The reform entails major changes to U.S. corporate tax. The changes include a reduction in the tax rate to 21 percent and the introduction of a mandatory tax on undistributed foreign earnings as of December 31, 2017.

On the basis of available information, the Trelleborg Group estimates that the implementation of the tax legislation will lead

to a negative non-recurring effect in the income statement of about SEK 129 M, which was recognized in the fourth quarter of 2017. The negative amount is related to the taxation of undistributed foreign earnings, which was partially offset by a positive effect due to the remeasurement of existing U.S. deferred tax liabilities.

Significant events after the close of the period

Acquisition of manufacturer of engineered coated fabrics. Trelleborg Coated Systems signed an agreement and finalized the acquisition of the privately owned U.K. company Dartex Holdings Ltd. The company is specialized in the manufacture of coated fabrics primarily for the healthcare & medical industry and is a world leader in coated fabrics for pressure injury prevention. The acquisition broadens Trelleborg's offering and strengthens the Group's position as a premium supplier of engineered coated fabrics.

Dartex has its head office and a production facility in Long Eaton, England. It has another production facility in North Smithfield, Rhode Island, U.S. Sales amount to approximately SEK 135 M on an annual basis. This bolt-on acquisition is part of Trelleborg's strategy to strengthen its positions in attractive market segments.

The press release was published on February 1, 2018.

Risk management

Trelleborg serves a broad range of customers in a variety of market segments and niches. Sales are made to approximately 150 countries worldwide and the Group has manufacturing operations at over 100 production units in around 50 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 major 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 Parent Company applies recommendation RFR 2, Accounting for Legal Entities of the Swedish Financial Reporting Board and Chapter 9 of the Swedish Annual Accounts Act, Interim Report. 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.

New and amended standards applied from January 1, 2017

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.

New and amended standards applied from January 1, 2018

As of January 1, 2018, Trelleborg applies IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

IFRS 9 regulates classification, measurement and recognition of financial assets and liabilities. It replaces the sections of IAS 39 that regulate the classification and measurement of financial instruments. A project was conducted within Trelleborg on the basis of the following areas: classification, measurement and documentation of financial liabilities and assets, adjustment of documentation relating to hedge accounting to the new regulation and calculation of the effects of the transition to a new model for recognition of anticipated credit losses, known as the expected loss model. The conclusion is that the new standard will not have any material impact on the Trelleborg Group's reporting. Given the immaterial effects of the new standard, previous periods will not be restated. In the first quarter of 2018, the Group intends to recognize a non-recurring item of approximately SEK 5 M in equity on account of the modified calculation model for anticipated credit losses on accounts receivable and about SEK 1 M for anticipated credit losses in cash and cash equivalents.

IFRS 15 introduces a new model for revenue recognition (five-step model) that is based on when control of a good or service is transferred to the customer. IFRS 15 replaces all previous standards, statements and interpretations relating to revenue recognition. Trelleborg has chosen to retroactively restate the 2017 fiscal year. During the fiscal year, the Group completed its IFRS 15 project, which involved taking an inventory of customer contracts and assessing these in accordance with the five-step model. The review concluded that the transition to IFRS 15 will not have any material impact on the Group's financial statements.

This report has not been subject to a brief review by the company's auditor.

Trelleborg, February 2, 2018
Board of Directors of Trelleborg AB (publ)

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	Q4 2017	Q4 2016	Change, %	12M 2017	12M 2016	Change, %
Net sales	593	671	-12	2,476	2,526	-2
Change total, %	-12	11		-2	-1	
Organic sales, %	-7	5		-3	-2	
Structural change, %	-	-		-	-	
Currency effects, %	-5	6		1	1	
EBIT	61	87	-30	260	323	-20
EBIT, %	10.3	12.9		10.5	12.8	

Additional key ratios on pages 19 - 20

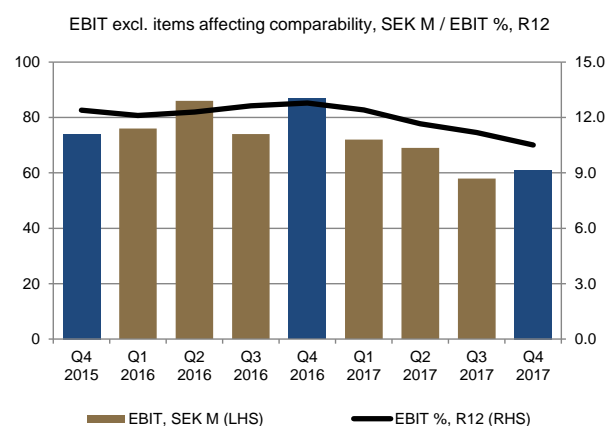
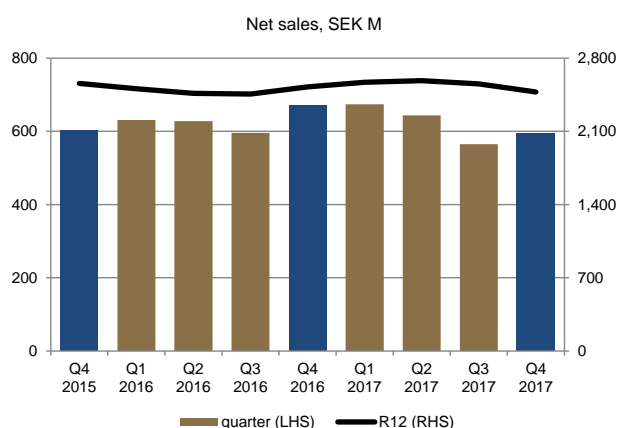
Fourth quarter 2017. Organic sales for the quarter declined 7 percent year on year. Organic sales for coated fabrics decreased, due primarily to a decline in Europe with weak deliveries to the transportation segment in particular. Deliveries to the aerospace segment were also lower, mainly as a result of inventory adjustments among customers. Organic sales of printing blankets declined in most markets compared with the corresponding period in 2016.

EBIT and the EBIT margin declined year on year, due primarily to lower volumes and an unfavorable sales mix. 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.

Full-year 2017. Organic sales for the full year declined 3 percent compared with 2016. Sales of coated fabrics declined during the year. North America had a positive organic performance, although this could not fully offset the lower sales in Europe and Asia. Organic sales of printing blankets decreased during the year, with Asia noting a stable trend while the performance in other regions was weaker.

EBIT and the EBIT margin declined year on year, due primarily to production disruptions at the beginning of the year and waning volumes. Measures to improve profitability are proceeding according to plan. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 5 M on EBIT compared with 2016.

After the close of the year, a manufacturer of coated fabrics for the healthcare & medical industry was acquired. Refer to page 8.





Trelleborg Industrial Solutions is a leading supplier of polymer-based critical solutions in such industrial application areas as selected hose and sealing systems and antivibration solutions for rail vehicles, vessels and industrial equipment.

Excluding items affecting comparability, SEK M	Q4 2017	Q4 2016	Change, %	12M 2017	12M 2016	Change, %
Net sales ¹	1,387	1,326	5	5,573	4,924	13
Change total, %	5	14		13	-1	
Organic sales, %	8	-2		5	-4	
Structural change, %	-	13		9	4	
Currency effects, %	-3	3		-1	-1	
EBIT ¹	175	153	14	631	525	20
EBIT, %	12.6	11.5		11.3	10.7	

Additional key ratios on pages 19 - 20

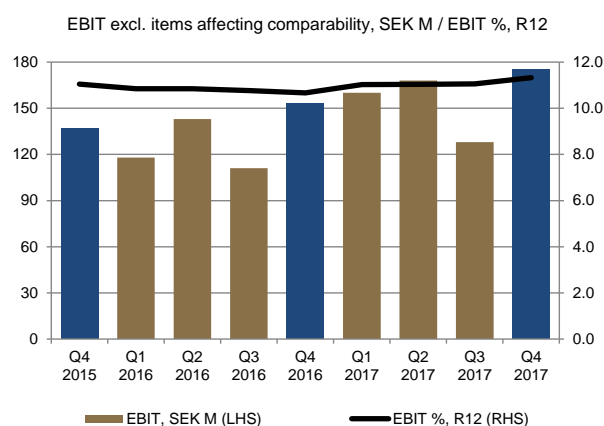
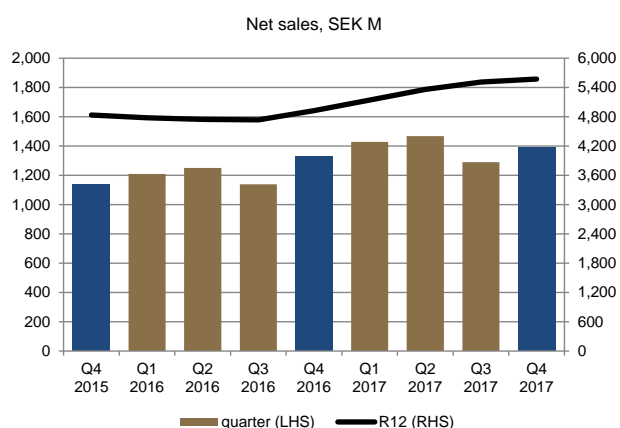
¹ Certain operations previously reported in the Trelleborg Industrial Solutions business area have, January 1, 2017 been transferred to the Trelleborg Sealing Solutions business area. The previous year's key ratios have been adjusted. Total turnover moved from Trelleborg Industrial Solutions amounted to SEK 269 M for the full year 2016 and for EBIT SEK 16 M.

Fourth quarter 2017. Organic sales for the quarter increased 8 percent year on year. Organic sales performed positively and in a uniform manner in most major geographic markets. Deliveries to the automotive industry remained favorable. Sales to general industry were positive in most geographic regions. Deliveries to the infrastructure construction segment varied among the different sub-segments and geographic markets, but were positive overall.

EBIT and the EBIT margin increased due to higher volumes and completed restructuring measures. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 7 M on earnings compared with the year-earlier period.

Full-year 2017. Organic sales for the full year rose 5 percent compared with 2016. Most geographic markets reported positive organic sales.

EBIT and the EBIT margin increased compared with the preceding year, due primarily to higher volumes, previously implemented acquisitions and completed restructuring measures. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 2 M on EBIT compared with 2016.



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	Q4 2017	Q4 2016	Change, %	12M 2017	12M 2016	Change, %
Net sales	787	893	-12	3,014	3,467	-13
Change total, %	-12	-22		-13	-20	
Organic sales, %	-8	-27		-12	-23	
Structural change, %	-	3		-	5	
Currency effects, %	-4	2		-1	-2	
EBIT	-11	17	-165	-56	108	-152
EBIT, %	-1.5	1.9		-1.9	3.1	

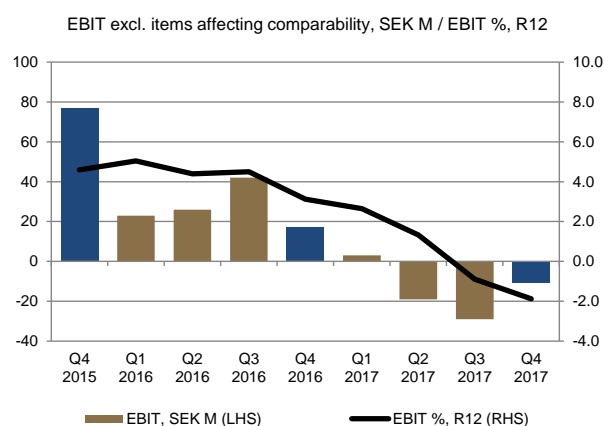
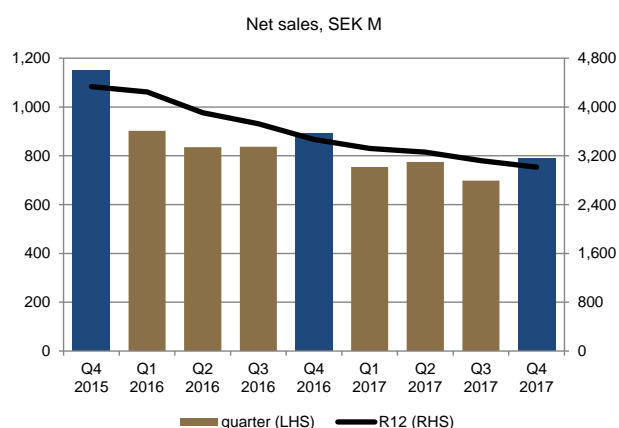
Additional key ratios on pages 19 - 20

Fourth quarter 2017. Organic sales for the quarter declined 8 percent year on year. The decline was mainly the result of substantially fewer project transactions in offshore oil & gas as well as lower sales in parts of the infrastructure construction segment. Other parts of infrastructure construction, however, grew significantly.

EBIT and the EBIT margin declined compared with the corresponding period in 2016, due to fewer deliveries of projects resulting in under-absorption and a negative price mix. The order book at year-end indicates that there will continue to be fewer project deliveries in the first half of 2018, impacting about half of the business area's sales. A number of strategic measures were decided during the quarter aimed at improving the business area's profitability. Refer to page 7. 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.

Full-year 2017. Organic sales for the full year declined 12 percent compared with 2016, primarily impacted by the subdued market situation in offshore oil & gas. Market activity in offshore oil & gas rose somewhat in the latter half of the year, but has not resulted in any actual orders. The order book for this part of the business area remains at a low level.

EBIT and the EBIT margin were lower compared with the preceding year, mainly as a result of lower project deliveries in offshore oil & gas but also due to lower sales in certain niches in infrastructure construction. Activities to adapt the organization to the lower market activity were carried out during the year and will continue in 2018, including a gradual closure of a plant in the U.S. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 8 M on EBIT compared with 2016.



Trelleborg

BUSINESS AREA

Sealing Solutions

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	Q4 2017	Q4 2016	Change, %	12M 2017	12M 2016	Change, %
Net sales ¹	2,349	2,216	6	9,956	8,771	14
Change total, %	6	12		14	2	
Organic sales, %	9	1		8	-1	
Structural change, %	1	7		6	3	
Currency effects, %	-4	4		0	0	
EBIT ¹	469	436	8	2,231	1,919	16
EBIT, %	20.0	19.7		22.4	21.9	

Additional key ratios on pages 19 - 20

¹ Certain operations previously reported in the Trelleborg Industrial Solutions business area have, January 1, 2017 been transferred to the Trelleborg Sealing Solutions business area. The previous year's key ratios have been adjusted. Total turnover moved to Trelleborg Sealing Solutions amounted to SEK 212 M for the full year 2016 and for EBIT SEK 16 M.

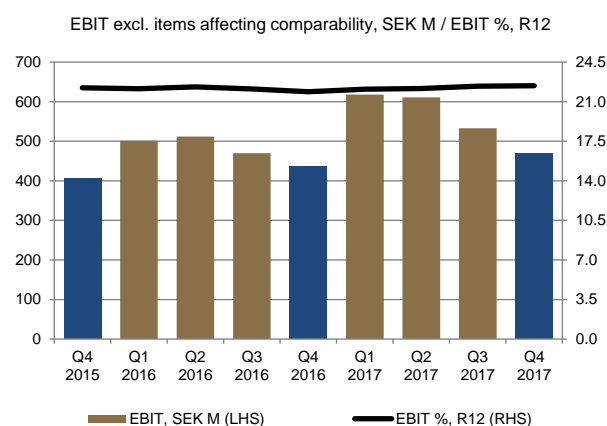
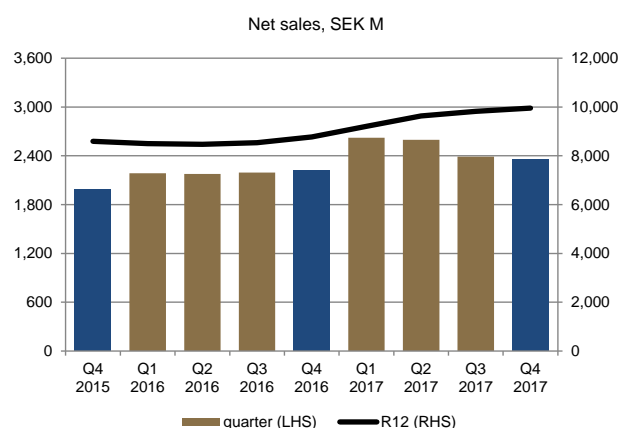
Fourth quarter 2017. Organic sales for the quarter increased 9 percent year on year. The organic sales performance was favorable in all geographic regions, and particularly healthy in North America. Deliveries to general industry increased in all regions compared with the year-earlier period, with a significant improvement in Europe. Sales to the automotive industry were good during the quarter, with North America and Asia displaying improved organic growth while sales to Europe were unchanged. Organic sales to the aerospace industry were strong during the quarter, particularly to the North American and Asian markets.

EBIT improved as a result of higher sales and completed acquisitions. In parallel, the EBIT margin improved slightly compared with the year-earlier period, despite consolidation of the recently acquired units with lower margins. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 10 M on earnings compared with the year-earlier period.

The acquisition of a manufacturer of advanced composite components was finalized during the quarter. Refer to page 7.

Full-year 2017. Organic sales for the full year rose 8 percent compared with 2016. All geographic regions demonstrated a positive organic performance, with sales increasing to general industry and the automotive and aerospace industries. The strongest organic growth was noted in Asia, driven primarily by favorable sales to general industry.

EBIT rose primarily as a result of higher volumes, acquisitions and effective cost control. The EBIT margin was maintained at a high level throughout the year, despite a certain impact from completed acquisitions with lower margins. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 9 M on EBIT compared with 2016.





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

Excluding items affecting comparability, SEK M	Q4 2017	Q4 2016	Change, %	12M 2017	12M 2016	Change, %
Net sales	2,198	1,883	17	8,878	6,354	40
Change total, %	17	85		40	47	
Organic sales, %	17	0		12	1	
Structural change, %	1	80		30	47	
Currency effects, %	-1	5		-2	-1	
EBIT	240	174	38	1,016	720	41
EBIT, %	10.9	9.2		11.4	11.3	

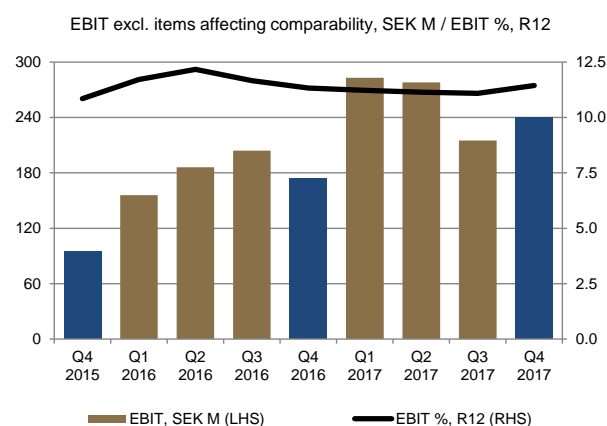
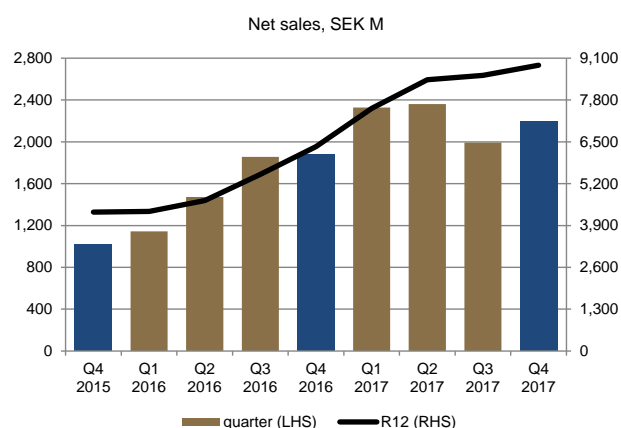
Additional key ratios on pages 19 - 20

Fourth quarter 2017. Organic sales for the quarter increased 17 percent year on year. Offsetting measures carried out to balance higher raw material prices were effective during the quarter. Organic sales of agricultural tires rose significantly during the quarter, with particularly strong sales noted to European OEMs of agricultural machinery. Aftermarket sales also increased in all regions, albeit at a slower pace, and outperformed the underlying market. Sales developed well in North America despite the underlying market remaining at depressed levels. Organic sales of tires for material handling vehicles and construction equipment rose year on year, with North America performing particularly well. Sales to all markets developed positively.

EBIT and the EBIT margin increased as a result of the higher sales volume, despite the margin being negatively impacted by the sales channel mix. 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.

Full-year 2017. Organic sales for the full year increased 12 percent compared with 2016. Structural growth contributed 30 percent in total, mainly attributable to the CGS acquisition. The organic sales trend for tires for agricultural machinery, material handling vehicles and construction machinery developed well, with the improvement gaining momentum during the year.

EBIT rose sharply, mainly due to the implemented acquisitions and higher volumes. The EBIT margin was on a par with the preceding year, despite a sharp increase in raw material prices in the first six months of the year which resulted in significant temporary additional costs. Exchange rate effects from the translation of foreign subsidiaries had a negative impact of SEK 2 M on EBIT compared with 2016.





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, has been recognized separately from Trelleborg's business areas during a transition period, before being integrated into the Trelleborg Industrial Solutions and Trelleborg Coated Systems business areas at the beginning of 2018.

Excluding items affecting comparability, SEK M	Q4 2017	Q4 2016	Change, %	12M 2017	12M 2016 ¹	Change, %
Net sales	470	447	5	1,933	1,063	82
Change total, %	5	-		82	-	
Organic sales, %	3	-		-	-	
Structural change, %	0	-		79	-	
Currency effects, %	2	-		3	-	
EBIT	24	31	-23	166	112	48
EBIT, %	5.1	7.0		8.6	10.5	

Additional key ratios on pages 19 - 20

¹ 12M 2016 refer to the period of June to December.

Fourth quarter 2017. Organic sales for the quarter increased 3 percent year on year. Sales of niche products to both the automotive industry and general industry were favorable for the quarter. Capacity utilization for most product lines was high. The shortage of labor in the Czech Republic continued to negatively impact the rate of delivery in parts of the business. During the quarter, integration work with the Trelleborg Industrial Solutions and Trelleborg Coated Systems business areas was intensified, and Rubena Savatech is included in the aforementioned business areas from the beginning of 2018.

EBIT and the EBIT margin were adversely impacted by the challenges related to the labor shortage and also by costs attributable to investment projects aimed at boosting manufacturing capacity and other efficiency-enhancement measures. Exchange rate effects from the translation of foreign subsidiaries had no impact on earnings compared with the year-earlier period.

Full-year 2017. During the year, Rubena Savatech demonstrated stable sales, although impacted by the labor shortage in parts of the business units. Capacity utilization for most product lines remained at a high level. A number of investment projects aimed at increasing manufacturing capacity for selected niche products are ongoing and will gradually enable increased growth and profitability. Exchange rate effects from the translation of foreign subsidiaries had a positive impact of SEK 2 M on EBIT compared with 2016.

EBIT and the EBIT margin were impacted by effects of the labor shortage and were charged with costs associated with preparations ahead of the consolidation with the Trelleborg Industrial Solutions and Trelleborg Coated Systems business areas, which took place at the beginning of 2018.

Income Statements

Income Statements, SEK M	Q4 2017	Q4 2016	12M 2017	12M 2016
Net sales	7,708	7,434	31,581	27,145
Cost of goods sold	-5,288	-5,077	-21,398	-18,079
Gross profit	2,420	2,357	10,183	9,066
Selling expenses	-630	-629	-2,556	-2,302
Administrative expenses	-801	-828	-3,109	-2,955
Research and development costs	-134	-128	-516	-433
Other operating income/expenses	71	66	79	111
Profit from associated companies	2	3	10	9
EBIT, excluding items affecting comparability	928	841	4,091	3,496
Items affecting comparability ¹	-314	-118	-69	-391
EBIT	614	723	4,022	3,105
Financial income and expenses	-57	-53	-230	-209
Profit before tax	557	670	3,792	2,896
Tax	-284	-151	-918	-680
Net profit in continuing operations	273	519	2,874	2,216
Net profit in discontinuing operations ²	-	0	-	4,369
Total net profit	273	519	2,874	6,585
- equity holders of the parent company	273	519	2,874	6,585

¹ 12M 2017 includes capital gain from the divestment of the compounding operation in Lesina, Czech Republic, with SEK 472 M, adjustment of receivable related to Vibracoustic of SEK 467 M and restructuring costs of SEK-1 008 M.

² Relates to Vibracoustic.

Earnings per share, SEK ¹	Q4 2017	Q4 2016	12M 2017	12M 2016
Continuing operations	1.01	1.92	10.60	8.18
Discontinuing operations	0.00	0.00	0.00	16.12
Group, total	1.01	1.92	10.60	24.30
Continuing operations, excluding items affecting comparability ²	2.31	2.23	10.82	9.23

¹ No dilution effects arose

² Earnings per share for the full year 2017 has been adjusted by SEK +0.22, which refers to items affecting comparability after tax, as well as an one-off cost attributable to the US Tax Reform.

Number of shares	Q4 2017	Q4 2016	12M 2017	12M 2016
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	Q4 2017	Q4 2016	12M 2017	12M 2016
Total net profit	273	519	2,874	6,585
Other comprehensive income				
Items that will not be reclassified to the income statement				
Reassessment of net pension obligation	19	33	38	-61
Income tax relating to components of other comprehensive income	-11	-13	-15	15
Total	8	20	23	-46
Items that may be reclassified to the income statement				
Cash flow hedges	17	89	75	165
Hedging of net investment	-302	6	-15	-502
Translation difference	1,053	81	282	1,552
Income tax relating to components of other comprehensive income	64	-21	-5	99
Other comprehensive income relating to disposed / discontinuing operations	0	0	-3	-254
Total	832	155	334	1,060
Other comprehensive income, net of tax	840	175	357	1,014
Total comprehensive income	1,113	694	3,231	7,599

EBIT specification, SEK M	Q4 2017	Q4 2016	12M 2017	12M 2016
EBITDA, excluding items affecting comparability	1,248	1,166	5,382	4,565
Depreciation, property, plant and equipment	-246	-250	-997	-865
EBITA, excluding items affecting comparability	1,002	916	4,385	3,700
Amortization, intangible assets	-74	-75	-294	-204
EBIT, excluding items affecting comparability	928	841	4,091	3,496
Items affecting comparability	-314	-118	-69	-391
EBIT	614	723	4,022	3,105

Balance Sheets

Balance Sheets, SEK M	Dec 31 2017	Dec 31 2016
Property, plant and equipment	9,444	9,435
Goodwill	18,127	18,185
Other intangible assets	4,843	5,018
Participations in associated companies	76	87
Financial non-current assets	57	408
Deferred tax assets	718	794
Total non-current assets	33,265	33,927
Inventories	5,383	5,060
Current operating receivables	6,235	5,934
Current tax assets	891	776
Interest-bearing receivables	844	778
Cash and cash equivalents	1,994	1,879
Total current assets	15,347	14,427
Total assets	48,612	48,354
Equity	27,216	25,137
Interest-bearing non-current liabilities	8,097	9,852
Other non-current liabilities	111	141
Pension obligations	570	681
Other provisions	228	221
Deferred tax liabilities	791	789
Total non-current liabilities	9,797	11,684
Interest-bearing current liabilities	4,337	5,282
Current tax liabilities	1,134	920
Other current liabilities	5,699	4,997
Other provisions	429	334
Total current liabilities	11,599	11,533
Total equity and liabilities	48,612	48,354

Specification of changes in equity, SEK M	Dec 31 2017	Dec 31 2016
Opening balance, January 1	25,137	18,622
Total net profit	2,874	6,585
Other comprehensive income	357	1,014
Dividend	-1,152	-1,084
Closing balance	27,216	25,137

Specification of capital employed, SEK M	Dec 31 2017	Dec 31 2016
Total assets	48,612	48,354
Less:		
Interest-bearing receivables ¹	877	1,137
Cash and cash equivalents	1,994	1,879
Tax assets	1,609	1,570
Operating liabilities	6,876	6,180
Capital employed	37,256	37,588
of which discontinuing operations	-75	-82
Capital employed excluding discontinuing operations	37,331	37,670

¹ Including receivable relating to disposal of Vibracoustic.

Cash-flow statements

Cash flow statements, SEK M	Q4 2017	Q4 2016	12M 2017	12M 2016
Operating activities				
EBIT incl part in associated companies	614	723	4,022	3,105
Adjustments for items not included in cash flow from operating activities:				
Depreciation, property, plant and equipment	243	254	990	868
Amortization, intangible assets	74	74	294	203
Impairment losses, property, plant and equipment	53	-2	57	54
Impairment losses, intangible assets	354	-	379	-
Dividend from associated companies	1	0	2	2
Participations in associated companies and other non cash-flow affecting items	-2	-5	-17	-5
Items affecting comparability	-	4	-	4
Result relating to Vibracoustic	-467	-	-467	-
Capital gain in divested operations	-	-	-472	-
Interest received and other financial items	11	14	40	40
Interest paid and other financial items	-62	-64	-287	-213
Taxes paid	-162	-166	-732	-593
Cash flow from operating activities before changes in working capital	657	832	3,809	3,465
Cash flow from changes in working capital:				
Change in inventories	-52	118	-451	-5
Change in operating receivables	347	686	-456	1,047
Change in operating liabilities	393	-155	628	-1,033
Change in items affecting comparability	297	26	304	5
Cash flow from operating activities	1,642	1,507	3,834	3,479
Investing activities				
Acquisitions	-123	-1,276	-226	-13,380
Disposed/discontinuing operations	-	-20	649	6,165
Capital expenditure, property, plant and equipment	-687	-464	-1,343	-1,074
Capital expenditure, intangible assets	-63	-30	-94	-74
Sale of non-current assets	23	14	37	37
Cash flow from investing activities	-850	-1,776	-977	-8,326
Financing activities				
Change in interest-bearing investments	-226	-303	1,135	-323
Change in interest-bearing liabilities	-688	-398	-2,669	5,457
Dividend - equity holders of the parent company	-	-	-1,152	-1,084
Cash flow from financing activities	-914	-701	-2,686	4,050
Cash flow for the period	-122	-970	171	-797
Cash and cash equivalents:				
At beginning of the period	2,045	2,814	1,879	2,552
Exchange rate differences	71	35	-56	124
Cash and cash equivalents at end of period	1,994	1,879	1,994	1,879

Key figures

SEK M	Q4 2017	Q4 2016	12M 2017	12M 2016
Net sales				
Trelleborg Coated Systems	593	671	2,476	2,526
Trelleborg Industrial Solutions ¹	1,387	1,326	5,573	4,924
Trelleborg Offshore & Construction	787	893	3,014	3,467
Trelleborg Sealing Solutions ¹	2,349	2,216	9,956	8,771
Trelleborg Wheel Systems	2,198	1,883	8,878	6,354
Rubena Savatech ²	470	447	1,933	1,063
Group items/Eliminations	-76	-2	-249	40
Total	7,708	7,434	31,581	27,145
EBIT, excluding items affecting comparability				
Trelleborg Coated Systems	61	87	260	323
Trelleborg Industrial Solutions ¹	175	153	631	525
Trelleborg Offshore & Construction	-11	17	-56	108
Trelleborg Sealing Solutions ¹	469	436	2,231	1,919
Trelleborg Wheel Systems	240	174	1,016	720
Rubena Savatech ²	24	31	166	112
Group items	-30	-57	-157	-211
Total	928	841	4,091	3,496
EBIT %, excluding items affecting comparability				
Trelleborg Coated Systems	10.3	12.9	10.5	12.8
Trelleborg Industrial Solutions ¹	12.6	11.5	11.3	10.7
Trelleborg Offshore & Construction	-1.5	1.9	-1.9	3.1
Trelleborg Sealing Solutions ¹	20.0	19.7	22.4	21.9
Trelleborg Wheel Systems	10.9	9.2	11.4	11.3
Rubena Savatech ²	5.1	7.0	8.6	10.5
Total	12.0	11.3	13.0	12.9

¹ Certain operations previously reported in the Trelleborg Industrial Solutions business area have, January 1, 2017 been transferred to the Trelleborg Sealing Solutions business area. The previous year's key ratios have been adjusted for this internal allocation. Total turnover moved from Trelleborg Industrial Solutions amounted to SEK 269 M for the full year 2016 and for EBIT SEK 16 M.

² 12M 2016 refer to the period of June to September.

Net sales per market, share and organic growth, %	Q4 2017	Q4 2016	12M 2017	12M 2016
Western Europe (47%)	7	-4	2	-5
Other Europe (11%)	9	10	9	7
North America (22%)	9	-4	4	-7
South and Central America (4%)	2	-25	-3	-13
Asia and other markets (16%)	7	-2	8	-3
Total (100% refer to share 2017)	7	-4	4	-5

Net sales per market excluding project related ³ , organic growth, %	Q4 2017	Q4 2016	12M 2017	12M 2016
Western Europe	9	0	6	-2
Other Europe	8	6	12	6
North America	11	-6	7	-7
South and Central America	9	23	8	8
Asia and other markets	6	19	10	11
Total	9	2	7	-1

³ Project deliveries refer to the whole of Trelleborg Offshore & Construction and minor parts of Trelleborg Industrial Solutions' operations.

SEK M	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Net sales									
Trelleborg Coated Systems	593	565	644	674	671	596	628	631	602
Trelleborg Industrial Solutions ¹	1,387	1,290	1,468	1,428	1,326	1,139	1,250	1,209	1,136
Trelleborg Offshore & Construction	787	698	775	754	893	837	835	902	1,149
Trelleborg Sealing Solutions ¹	2,349	2,388	2,596	2,623	2,216	2,195	2,176	2,184	1,981
Trelleborg Wheel Systems	2,198	1,992	2,360	2,328	1,883	1,855	1,472	1,144	1,020
Rubena Savatech ²	470	446	520	497	447	450	166	-	-
Group items/Eliminations	-76	-69	-98	-6	-2	0	17	25	39
Total	7,708	7,310	8,265	8,298	7,434	7,072	6,544	6,095	5,927
EBIT, excluding items affecting comparability									
Trelleborg Coated Systems	61	58	69	72	87	74	86	76	74
Trelleborg Industrial Solutions ¹	175	128	168	160	153	111	143	118	137
Trelleborg Offshore & Construction	-11	-29	-19	3	17	42	26	23	77
Trelleborg Sealing Solutions ¹	469	533	611	618	436	470	512	501	405
Trelleborg Wheel Systems	240	215	278	283	174	204	186	156	95
Rubena Savatech ²	24	33	48	61	31	55	26	-	-
Group items	-30	-18	-66	-43	-57	-41	-80	-33	-83
Total	928	920	1,089	1,154	841	915	899	841	705
EBIT %, excluding items affecting comparability									
Trelleborg Coated Systems	10.3	10.3	10.7	10.7	12.9	12.4	13.7	12.1	12.3
Trelleborg Industrial Solutions ¹	12.6	10.0	11.4	11.2	11.5	9.7	11.4	9.8	12.1
Trelleborg Offshore & Construction	-1.5	-4.1	-2.5	0.4	1.9	5.1	3.1	2.6	6.6
Trelleborg Sealing Solutions ¹	20.0	22.3	23.5	23.6	19.7	21.4	23.5	22.9	20.5
Trelleborg Wheel Systems	10.9	10.8	11.8	12.1	9.2	11.0	12.6	13.6	9.3
Rubena Savatech ²	5.1	7.4	9.3	12.3	7.0	12.1	15.6	-	-
Total	12.0	12.6	13.2	13.9	11.3	12.9	13.7	13.8	11.9
Items affecting comparability	-314	-45	-76	366	-118	-51	-107	-115	-90
EBIT	614	875	1,013	1,520	723	864	792	726	615

¹ Certain operations previously reported in the Trelleborg Industrial Solutions business area have, January 1, 2017 been transferred to the Trelleborg Sealing Solutions business area. The previous year's key ratios have been adjusted. Total turnover moved from Trelleborg Industrial Solutions amounted to SEK 269 M for the full year 2016 and for EBIT SEK 16 M.

² Q2 2016 refer to the period of June only.

Bridge net sales SEK M, %	Q4 2016, SEK M	Organic sales, %	Structural change, %	Currency effects, %	Q4 2017, SEK M
Trelleborg Coated Systems	671	-7	-	-5	593
Trelleborg Industrial Solutions	1,326	8	-	-3	1,387
Trelleborg Offshore & Construction	893	-8	-	-4	787
Trelleborg Sealing Solutions	2,216	9	1	-4	2,349
Trelleborg Wheel Systems	1,883	17	1	-1	2,198
Rubena Savatech	447	3	0	2	470
Group items/Eliminations	-2	-	-	-	-76
Total	7,434	7	0	-3	7,708

Exchange rate differences impacting EBIT excluding items affecting comparability ³ , SEK M	Q4 2017	12M 2017
Trelleborg Coated Systems	-5	5
Trelleborg Industrial Solutions	-7	-2
Trelleborg Offshore & Construction	-1	-8
Trelleborg Sealing Solutions	-10	9
Trelleborg Wheel Systems	-9	-2
Rubena Savatech	0	2
Group items	-2	-2
Total	-34	2

³ Impact on EBIT excluding items affecting comparability in translation of foreign subsidiaries.

Income Statements, SEK M	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Net sales	7,708	7,310	8,265	8,298	7,434	7,072	6,544	6,095	5,927
Cost of goods sold	-5,288	-4,959	-5,586	-5,565	-5,077	-4,749	-4,269	-3,984	-3,956
Gross profit	2,420	2,351	2,679	2,733	2,357	2,323	2,275	2,111	1,971
Selling expenses	-630	-599	-670	-657	-629	-591	-558	-524	-480
Administrative expenses	-801	-733	-797	-778	-828	-757	-712	-658	-724
Research and development costs	-134	-122	-131	-129	-128	-100	-105	-100	-101
Other operating income/costs	71	20	6	-18	66	36	-3	12	38
Profit from associated companies	2	3	2	3	3	4	2	0	1
EBIT, excluding items affecting comparability	928	920	1,089	1,154	841	915	899	841	705
Items affecting comparability	-314	-45	-76	366	-118	-51	-107	-115	-90
EBIT	614	875	1,013	1,520	723	864	792	726	615
Financial income and expenses	-57	-66	-56	-51	-53	-46	-63	-47	-43
Profit before tax	557	809	957	1,469	670	818	729	679	572
Tax	-284	-174	-220	-240	-151	-187	-192	-150	-132
Net profit in continuing operations	273	635	737	1,229	519	631	537	529	440
Net profit in discontinuing operations	-	-	-	-	-	-	4,369	-	104
Total net profit	273	635	737	1,229	519	631	4,906	529	544
- equity holders of the parent company	273	635	737	1,229	519	631	4,906	529	544
- non-controlling interest	-	-	-	-	-	-	-	-	0
Earnings per share, SEK	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Continuing operations	1.01	2.34	2.72	4.53	1.92	2.33	1.98	1.95	1.62
Discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00	16.12	0.00	0.38
Group, total	1.01	2.34	2.72	4.53	1.92	2.33	18.10	1.95	2.00
Continuing operations, excluding items affecting comparability	2.31	2.47	2.92	3.12	2.23	2.46	2.31	2.23	1.84

Acquisitions

Carrying amounts of identifiable acquired assets and assumed liabilities

12M 2017

Fourth quarter

Through its Trelleborg Wheel Systems business area, Trelleborg signed an agreement and finalized the acquisition of White Baumaschinenreifen GmbH (White). The company specializes in the service, fitting and repair of pneumatic and solid tires for construction vehicles in Germany.

Trelleborg finalized the acquisition of the U.S.-based privately owned Automated Dynamics that specializes in the manufacturing of advanced composite components for particularly demanding applications.

First quarter

Trelleborg Sealing Solutions signed an agreement and finalized the acquisition of the privately owned U.S.-based Carolina Seal Inc. The business specializes in the distribution of polymer seals such as O-rings, hydraulic seals and specialty kitting.

In addition, final settlement of earlier acquisitions took place and certain adjustments were also made to acquisition analyses attributable to acquisitions in 2016.

12M 2016

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.

In addition to CGS, six other acquisitions were carried out during the year: Loggers Rubberteknik B.V., Specialty Silicone Fabricators Inc., International Tyre and Wheel Solutions Ltd., Anderson Seal LLC., Schwab Vibration Controls and a subsidiary of CoorsTek, Inc.

Acquisitions, SEK M	Acquired 2017 12M 2017	Adjustm. to acquisitions 2016 12M 2017	Acquisitions 2016 12M 2016
Developed technology ¹			249
Trademarks ²		-158	1,410
Customer relationships ³	44	53	1,987
Other intangible assets		1	19
Property, plant and equipment	10		2,551
Deferred tax assets		-1	60
Shares in associated companies		-23	67
Interest-bearing receivables	1		14
Inventories	51	6	1,108
Operating receivables	30		1,903
Current tax asset		2	34
Cash and cash equivalents	18		383
Deferred tax liabilities	-6	1	-490
Interest-bearing liabilities	-12		-387
Post employment benefits		-2	-108
Provision obligations			-163
Current tax liability	-2		-140
Operating liabilities	-38		-1,610
Net assets	96	-121	6,887
Goodwill	113	145	6,503
Total purchase price	209	24	13,390
Cash and other net debt in acquired operations	-7		-10
Impact shown in cash flow statement	202	24	13,380

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

² The majority have an indefinite useful life, no amortization takes place.

³ Excess value of customer relationships are amortized over 12-14 years.

The above goodwill for 2017 is 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.

Financial assets and liabilities measured at fair value

A description of how fair value is calculated is provided under Accounting policies and in the below table.

At December 31, 2017 SEK M		Assets at fair value in profit and loss		Derivatives used for hedging purposes		
	Loan receivable and accounts receivable	Carrying amount	Measurement level	Carrying amount	Measurement level	Total
Assets in the balance sheet						
Derivative instruments	-	46	2	168	2	214
Financial non-current assets	3	-		-		3
Accounts receivable	5,019	-		-		5,019
Interest-bearing receivable	4	689	3	-		693
Cash and cash equivalents	1,994	-		-		1,994
Total	7,020	735		168		7,923
		Liabilities at fair value in profit and loss		Derivatives used for hedging purposes		
	Other financial liabilities	Carrying amount	Measurement level	Carrying amount	Measurement level	Total
Liabilities in the balance sheet						
Derivative instruments	-	111	2	183	2	294
Interest-bearing non-current liabilities	8,051	-		-		8,051
Interest-bearing current liabilities	4,258	-		-		4,258
Accounts payable	3,176	-		-		3,176
Total	15,485	111		183		15,779

The outstanding receivable of SEK 689 M, related to Vibracoustic's realized sales development in 2017, has been classified in accordance with level 3 of the fair value hierarchy due to inputs derived from unobservable market data, including the counterparty's credit risk. Essentially all other financial assets and liabilities fair value at the balance sheet date are based on observable data (level 2 in accordance with the fair-value hierarchy).

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

The majority of the Group's loans carry a variable interest rate, meaning that the carrying amount of the total loan liability is considered to represent a good estimation of the fair value due to the short maturity. For other financial instruments the recognized amounts are also deemed to correspond to their fair value.

At December 31, 2016 SEK M		Assets at fair value in profit and loss		Derivatives used for hedging purposes		
	Loan receivable and accounts receivable	Carrying amount	Measurement level	Carrying amount	Measurement level	Total
Assets in the balance sheet						
Derivative instruments	-	48	2	206	2	254
Financial non-current assets	3	348	3	-		351
Accounts receivable	4,739	-		-		4,739
Interest-bearing receivable	181	357	3	-		538
Cash and cash equivalents	1,879	-		-		1,879
Total	6,802	753		206		7,761
		Liabilities at fair value in profit and loss		Derivatives used for hedging purposes		
	Other financial liabilities	Carrying amount	Measurement level	Carrying amount	Measurement level	Total
Liabilities in the balance sheet						
Derivative instruments	-	237	2	227	2	464
Interest-bearing non-current liabilities	9,833	-		-		9,833
Interest-bearing current liabilities	5,072	-		-		5,072
Accounts payable	2,699	-		-		2,699
Total	17,604	237		227		18,068

Parent Company

Income statements, SEK M	Q4 2017	Q4 2016	12M 2017	12M 2016
Administrative expenses	-70	-104	-278	-313
Other operating income	67	155	466	477
Other operating expenses	-218	-258	-276	-309
EBIT	-221	-207	-88	-145
Financial income and expenses	-1,166	-281	-262	-273
Profit before tax	-1,387	-488	-350	-418
Appropriations	835	450	835	450
Tax	-110	-26	-62	34
Net profit	-662	-64	423	66

Statements of comprehensive income, SEK M	Q4 2017	Q4 2016	12M 2017	12M 2016
Net profit	-662	-64	423	66
Total comprehensive income	-662	-64	423	66

Balance sheets, SEK M	Dec 31 2017	Dec 31 2016
Property, plant and equipment	15	16
Intangible assets	9	2
Financial assets	34,880	35,533
Total non-current assets	34,904	35,551
Current receivables	68	130
Interest-bearing receivables	837	556
Cash and cash equivalents	-	-
Total current assets	905	686
Total assets	35,809	36,237
Equity	9,582	10,311
Interest-bearing non-current liabilities	4,430	4,374
Other non-current liabilities	24	24
Total non-current liabilities	4,454	4,398
Interest-bearing current liabilities	21,588	21,374
Other current liabilities	185	154
Total current liabilities	21,773	21,528
Total equity and liabilities	35,809	36,237

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 liabilities¹.

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. An acquisition is reported only as organic growth if it is included in an equal number of months in the current period and the corresponding period of the previous year. Otherwise, it is reported as structural growth.

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.

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

For further description and calculation of key figures go to www.trelleborg.com/en/investors/financial--definitions.

Glossary

OEM (Original Equipment Manufacturer) A company that manufactures an end-product that can be sold on the open market. The product often consists of a combination of proprietary manufactured and purchased components from suppliers that are assembled by the OEM company to make the final product.

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.

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.

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					Capital intensive industry	Light Vehicles
	Oil & gas	Transport equipment	Agriculture	Infrastructure construction	Aerospace		
Trelleborg Coated Systems	81%	1%			16%	17%	2%
Trelleborg Industrial Solutions	54%	2%		14%		36%	10%
Trelleborg Offshore & Construction		45%		55%		100%	
Trelleborg Sealing Solutions	43%	2%	4%		14%	32%	25%
Trelleborg Wheel Systems		41%	59%			100%	
Rubena Savatech	79%	7%				7%	14%
Total	34%	5%	19%	18%	8%	55%	11%

Net sales per market segment and business area based on Annual accounts 2017

The Trelleborg Group's operations

Continuing operations

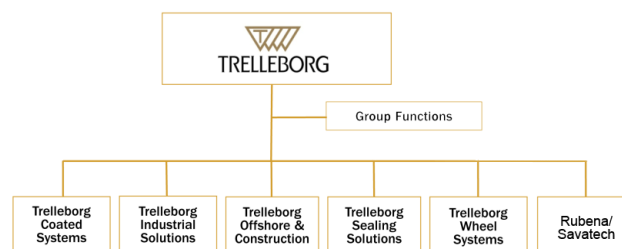
Refers to operations within Trelleborg's five business areas: Trelleborg Coated Systems, Trelleborg Industrial Solutions, Trelleborg Offshore & Construction, Trelleborg Sealing Solutions and Trelleborg Wheel Systems, as well as the Rubena Savatech operation. In addition, it includes central staff functions.

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 February 2 at 10:30 a.m. CET

A presentation and telephone conference will be held on February 2 at 10:30 a.m. CET. The presentation will take place at Operaterrassen in Stockholm, Sweden. To participate in the telephone conference, call +46 (0)8 566 42 662 (Sweden), +44 203 008 9811 (U.K.) or +1 855 753 2235 (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

Annual Report 2017
Interim report January-March 2018
Annual General Meeting 2018 (Trelleborg)
Interim report April-June 2018
Interim report July-September 2018
Year-end report 2018

March 19, 2018
April 25, 2018
April 25, 2018
July 20, 2018
October 24, 2018
February 6, 2019

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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 a.m. CET on February 2, 2018.

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