

# First semester 2009 Results

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August 28th, 2009

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# Results 1S09 – Highlights: positive evolution of key targets

	Key magnitudes			
	€M	June 08 YTD	June 09 YTD	Evol.
Sales		395,5	320,0	-19,1%
Opex ex Dep.& Am.		129,0	110,1	-14,6%
EBITDA		65,9	37,9	-42,5%
Net Working Capital		305,9	259,2	-15,3%
Free Cash Flow		-81,3	-16,4	64.9 €M
Net Financial Debt		292,9	246,8	-15,7%

- **Sales** continue its trend of improvement throughout the second quarter, reflecting the impact of higher weight of recurrent business and lack of stock building in the first quarter.
- **Opex** evolves better than targeted. Year end cost reduction is expected to be approximately 28 M€ (previous estimate was 26 M€), equivalent to 38 M€ in annual base.
- **EBITDA** reflects sales improvement in the second quarter and the impact of cost reduction (32.0M€ for the 2Q09 stand alone).
- **Net Working Capital, Free Cash Flow and Net Financial Debt** have all accentuated their positive trend during the second quarter, and are well aligned to fulfill year end expectations.
- The positive evolution of **Net Working Capital** is based on steady Stocks reduction and alignment of Accounts Receivable with sales evolution.

# Results 1S09 – P&L June YTD

	June 2008 YTD		June 2009 YTD		
	€M	% sales	€M	% sales	Evol.09/08
Sales	395,5	100,0%	320,0	100,0%	-19,1%
Gross Margin	197,7	50,0%	154,4	48,3%	-21,9%
Opex before Dep.& Amort.	129,0	32,6%	110,1	34,4%	-14,6%
EBITDA	65,9	16,7%	37,9	11,8%	-42,5%
EBIT	49,7	12,6%	22,0	6,9%	-55,8%
Net Financial Result	-7,3	-1,8%	-7,7	-2,4%	5,9%
PBT	42,2	10,7%	5,0	1,6%	-88,2%
PBT Normalized	42,5	10,7%	14,3	4,5%	-66,4%
Net Income to Parent Co.	29,0	7,3%	3,2	1,0%	-89,1%
Net Income to Parent Co.Normalized	29,3	7,4%	9,6	3,0%	-67,2%

Note: Profit normalized is calculated before extraordinary items.

- Sales evolution has improved significantly as foreseen in the second quarter (-14.7% in 2Q stand alone) as recurrent business has increased its weight in all BU's and geographical areas.
- The decrease of Gross Margin is attributable to the effect of the sharp reduction of Stocks in the Cost of Good Sold.
- Opex decrease has accentuated showing the cumulative effect of the successive rounds of cost reduction undertaken.
- Net Income reflects the improvement of Operational Income and the non-recurrent expenses associated to cost reduction initiatives (9.3M€).

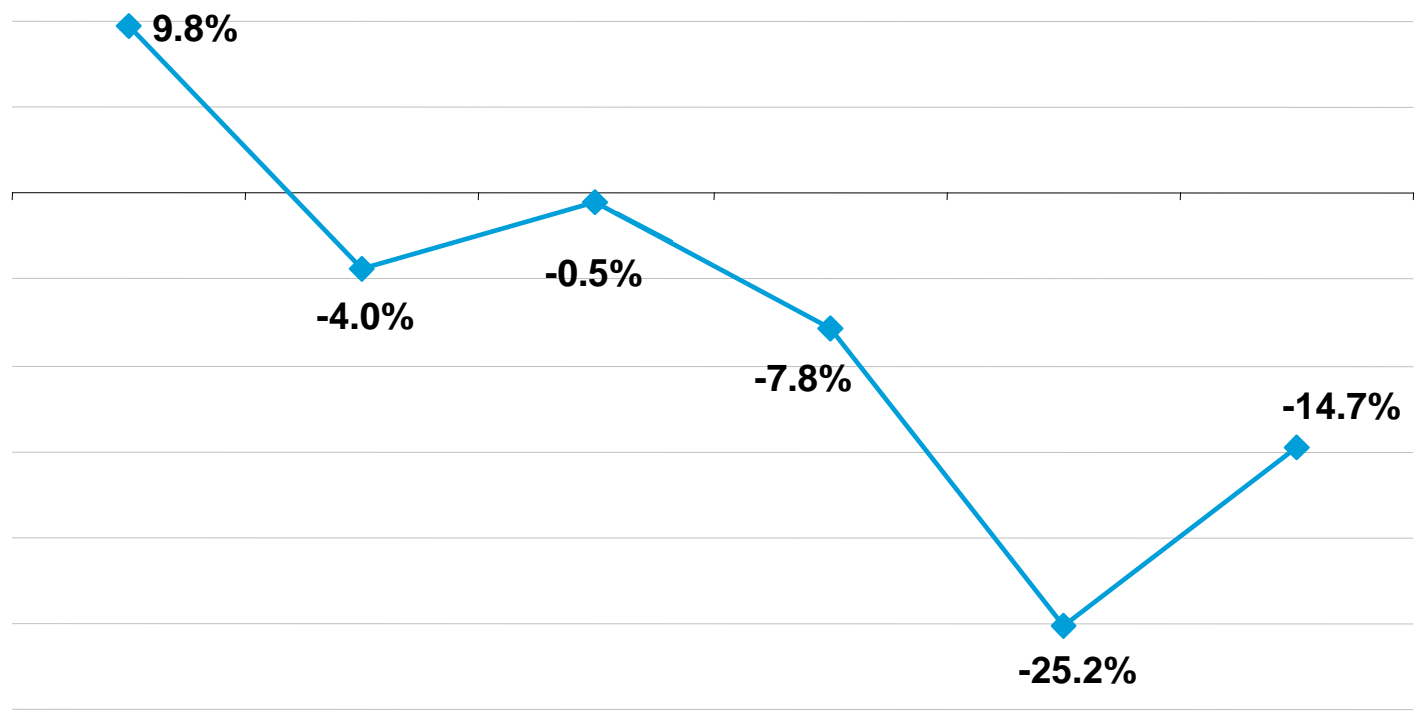
# Results 1S09 – P&L 2Q Stand Alone

	2Q 2008		2Q09		Evol.09/08
	€M	% sales	€M	% sales	
<b>Sales</b>	<b>230,6</b>	<b>100,0%</b>	<b>196,6</b>	<b>100,0%</b>	<b>-14,7%</b>
<b>Opex before Dep.&amp; Amort.</b>	<b>67,0</b>	<b>29,1%</b>	<b>55,9</b>	<b>28,4%</b>	<b>-16,7%</b>
<b>EBITDA</b>	<b>43,8</b>	<b>19,0%</b>	<b>32,0</b>	<b>16,3%</b>	<b>-26,9%</b>
<b>PBT Normalized</b>	<b>32,2</b>	<b>14,0%</b>	<b>19,7</b>	<b>10,0%</b>	<b>-38,9%</b>

Note: profit normalized does not include extraordinary items.

# Results 1S09 – Sales Quarterly Evolution Stand Alone

2008				2009	
1Q08	2Q08	3Q08	4Q08	1Q09	2Q09



# Results 1S09 - Sales Evolution by Geographical Area

Fluidra Sales by Geographical Area					
€M	2008	%	2009	%	Evolution 08-09
	Spain	130.0	32.9%	84.9	26.5%
South Europe - Rest	138.8	35.1%	125.6	39.3%	-9.5%
Western & Northern Europe	58.2	14.7%	48.5	15.1%	-16.7%
Eastern Europe	17.7	4.5%	11.7	3.7%	-33.6%
Asia & Australia	32.0	8.1%	30.9	9.7%	-3.4%
Rest of World	18.9	4.8%	18.3	5.7%	-3.0%
<b>TOTAL</b>	<b>395.5</b>	<b>100.0%</b>	<b>320.0</b>	<b>100.0%</b>	<b>-19.1%</b>

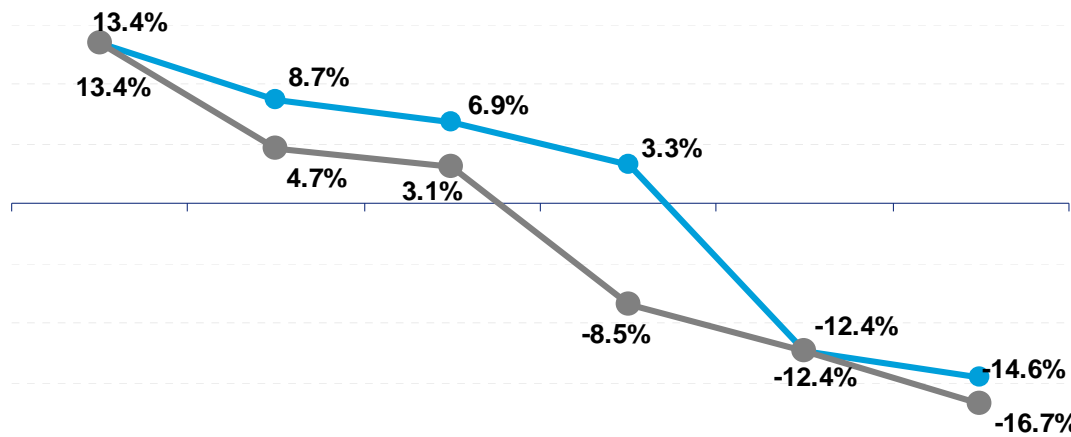
# Results 1Q09 – Sales by Business Unit

€M	2008	% of Total	2009	% of Total	Evolution %
<b>Pool (1)</b>	<b>277.7</b>	<b>70.2%</b>	<b>219.2</b>	<b>68.5%</b>	<b>-21.0%</b>
- Private	235.1	59.4%	186.8	58.4%	-20.6%
- Commercial	42.6	10.8%	32.5	10.1%	-23.7%
<b>Water Treatment</b>	<b>61.1</b>	<b>15.4%</b>	<b>57.4</b>	<b>17.9%</b>	<b>-5.9%</b>
<b>Irrigation</b>	<b>19.3</b>	<b>4.9%</b>	<b>16.0</b>	<b>5.0%</b>	<b>-17.0%</b>
<b>Fluid Handling</b>	<b>37.5</b>	<b>9.5%</b>	<b>27.3</b>	<b>8.5%</b>	<b>-27.2%</b>
<b>TOTAL</b>	<b>395.5</b>	<b>100.0%</b>	<b>320.0</b>	<b>100.0%</b>	<b>-19.1%</b>

- All Business Units have experienced a significant better sales behaviour in 2Q driven by higher incidence of recurrent business
- Private and Commercial Pool have recovered being specially sensitive to the lack of stock building in the channel during the first quarter
- Water Treatment and Irrigation performance exceed company average confirming the value added by those BU's to Fluidra's diversification strategy
- Fluid Handling is specially affected by the weakness of both the Industrial segment and the Spanish market

# Results 1S09 – Opex quarterly evolution

2008				2009	
1Q08	2Q08	3Q08	4Q08	1Q09	2Q09

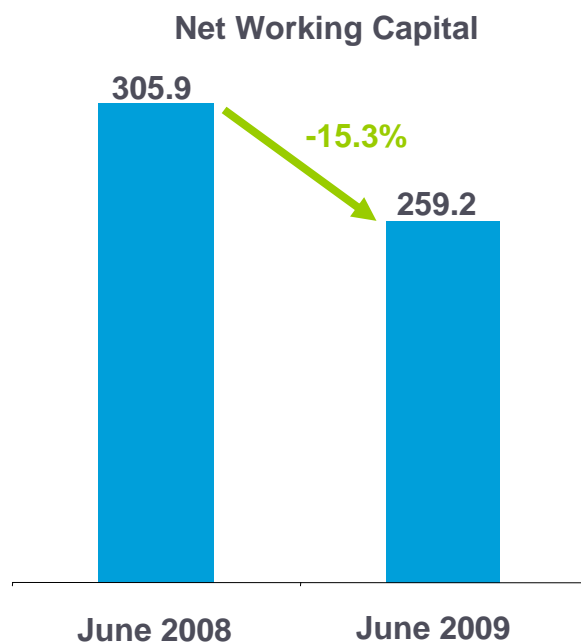


— Opex ex Depr. & Amort. quarterly evolution YTD  
 — Opex ex Depr. & Amort. quarterly evolution Stand Alone

## Updated cost reduction initiatives

2008 Q3 Q4	<ul style="list-style-type: none"> <li>• Two mergers of distribution companies in Spain</li> <li>• Manufacturing footprint consolidation plan started (5 plants)</li> <li>• Headquarters resources adapted to new environment</li> <li>• Distribution sites rental reduction</li> </ul>
2009 Q1 Q2	<ul style="list-style-type: none"> <li>• New Organizational Structure implemented</li> <li>• Manufacturing footprint consolidation continuation (5 additional plants)</li> <li>• Central Back Office in Spain, Portugal and Italy</li> <li>• Mergers of commercial units in Italy and Portugal</li> <li>• Rationalization of Spanish distribution network</li> </ul>
2009 Q3 Q4	<ul style="list-style-type: none"> <li>• Additional mergers of commercial units in Morocco, Mexico and Dubai</li> <li>• Potential for additional actions within the year based on sales evolution</li> </ul>

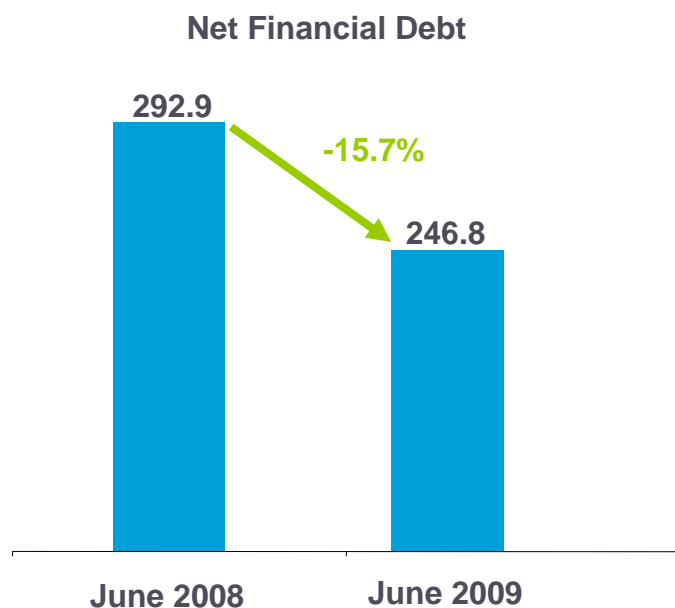
# Results 1S09 – Net Working Capital



	June			December 2008
	2008	2009	Evol. 08/09	Evol. 08/07
Stocks	182.9	152.2	-16.8%	0.6%
Accounts Receivable	305.3	246.4	-19.3%	-0.2%
Accounts Payable	182.3	139.3	-23.6%	-22.6%
Net Working Capital	305.9	259.2	-15.3%	15.8%

- Net Working Capital has accentuated its decrease in the 2Q and is now well aligned with year end target
- Stocks reduction has also deepened as the result of processes and systems improvements over the last year
- Alignment of Accounts Receivables evolution to Sales has been achieved in spite of adverse market conditions
- Accounts Payable decrease is related to the strong reduction of Stocks and Opex

# Results 1S09 – Free Cash Flow and Net Financial Debt



	2008	2009	Var.
Net income	29.0	3.2	-25.8
Depreciation (+)	16.2	19.4	3.3
Increase (-) / Decrease (+) NWC	-109.0	-31.2	77.8
Capex	-17.5	-7.8	9.7
Free Cash Flow	-81.3	-16.4	64.9

- Net Financial Debt shows a strong decrease (-46.1M€) based on the positive evolution of Net Working Capital and the reduction of Capex.
- Both Free Cash Flow and Net Financial Debt are well aligned to fulfill year end targets.

# Results 1S09 – Key Magnitudes by Division

	Sales (*)			Ebitda		
	2008	2009	Evol. %	2008	2009	Evol. %
€M						
<b>South West Europe</b>	238.6	181.4	-24.0%	25.2	9.4	-62.7%
<b>NEEMEA</b>	57.9	51.9	-10.4%	8.0	6.0	-24.4%
<b>AAP</b>	63.7	56.0	-12.1%	5.4	3.5	-34.1%
<b>Industrial</b>	209.9	157.9	-24.8%	40.1	22.7	-43.4%
<b>TOTAL, Consolidated</b>	395.5	320.0	-19.1%	65.9	37.9	-42.5%

(\*) Division sales are aggregate, including intra group sales

# Results 1S09 – Outstanding news

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## August

- Fluidra supplies 40 innovative filters to the Campo de Dalías desalination plant in Almería.
- Fluidra strengthens its marketing structure with two new managers for Pool and Water Treatment .

## July

- Fluidra is selected to be part of the Kempen SRI index constituents.
- Fluidra approves its Code of Ethics to regulate internal and external relations.
- The 2008 Sustainability Report is rated A+ by the Global Reporting Initiative (GRI).
- Fluidra builds two water treatment plants in Portugal's first eco-campsite, which processes water through a combination of pre-oxidation, coagulation/flocculation, decantation, sand filtering and disinfection treatment, with a total net capacity of 32 cubic meters per hour. The project is estimated in one million Euros.

## June

- Fluidra Shareholders' Meeting approves a dividend of 4 million Euros to be paid the 9th of October 2009 and the proposal of Corporación Caja Navarra as a new Board Member.

## April

- Fluidra continues its international expansion in the Asian market with the opening of a branch office in Thailand and the creation in China of a new company, Loitech, following a deal with Zhenghai Tiangao Refrigerator Equipment.

# Results 1S09 – Summary

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- As anticipated, sales have progressively recovered in the second quarter driven by higher weight of recurrent business compared to the first three months of the year, and the lack of stocks in the channel.
- Free Cash Flow and Net Financial Debt evolution is expected to fulfill the reduction targeted for year end.
- In line with 2009 priorities, Fluidra has adapted its cost structure and Net Working Capital to the new environment, making good progress in order to achieve a solid economic performance in 2010.

