

# Results First Semester 2010

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August 27th, 2010

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# Results 1S2010 – Highlights

	Key magnitudes			
	€M	June 09 YTD	June 10 YTD	Evol.
Sales		320,0	335,5	4,9%
EBITDA		37,9	49,4	30,2%
Net Profit		3,2	20,6	—
Net Profit Normalized		9,6	21,6	124,0%
Net Working Capital		259,2	223,6	-13,8%
Free Cash Flow		-16,4	-14,7	—
Net Financial Debt		246,8	186,1	-24,6%

Note: Profit normalized is calculated before extraordinary items.

- **Sales** growth boosted by Residential Pool, Water Treatment and Irrigation strong performance during the second quarter
- **EBITDA** high increase driven by Sales and Gross Margin growth, together with lower bad debt provisions
- Strong **Net Profit** increase as a result of higher Operating Profit and the significant Net Financial Expenses reduction
- **Net Working Capital** maintains the good performance registered during last quarters derived from Stocks reduction and sustained improvement of Customer Collection turnover ratio
- **Net Financial Debt** continues its reducing trend reflecting the increase in **Free Cash Flow** as a result of Net Profit and Net Working Capital improvement

# Results 1S2010 – P&L

	June 2009 YTD		June 2010 YTD		
	€ M	% sales	€ M	% sales	Evol.10/09
Sales	320,0	100,0%	335,5	100,0%	4,9%
Gross Margin	154,4	48,3%	167,0	49,8%	8,1%
Opex before Dep.& Amort.	110,1	34,4%	114,2	34,0%	3,7%
Provisions for bad debt	6,3	2,0%	3,5	1,0%	-45,2%
EBITDA	37,9	11,8%	49,4	14,7%	30,2%
EBIT	22,0	6,9%	33,4	10,0%	51,5%
Net Financial Result	-7,7	-2,4%	-2,2	-0,7%	71,5%
PBT	5,0	1,6%	29,7	8,9%	—
PBT Normalized	14,3	4,5%	31,2	9,3%	118,3%
Net Profit	3,2	1,0%	20,6	6,1%	—
Net Profit Normalized	9,6	3,0%	21,6	6,4%	124,0%

Note: Profit normalized is calculated before extraordinary items.

- Sales have accentuated their growth trend started in March, reaching an accumulated increase of 4,9% reflecting the markets progressive improvement and their more recurring nature in the second quarter
- Gross Margin recovers its level previous to the decrease in 2009 derived from the strong Stock reduction
- Opex evolution reflects the impact of Sales increase and exchange rate effect
- Net Financial Result improvement derives from the combined effect of Net Financial Debt decrease, lower cost of debt and exchange rate variation

# Results 1S2010 – Second Quarter

	2Q 2009		2Q 2010		Evol.10/09
	€ M	% sales	€ M	% sales	
Sales	196,6	100,0%	211,8	100,0%	7,7%
Gross Margin	91,5	46,6%	103,1	48,7%	12,6%
EBITDA	32,0	16,3%	39,6	18,7%	23,8%
Net Profit	9,4	4,8%	20,5	9,7%	119,0%

- Sales 7,7% growth in the quarter shows the strong recovery in practically all Business Units and Geographical Areas
- Gross Margin improvement is specially relevant in the second quarter reflecting the Group capacity to manage the raw materials price volatility and the continuous focus on high value added products
- The positive evolution of Sales and Gross Margin generates a strong increase of EBITDA in the quarter

# Results 1S2010 – Key Magnitudes by Division YTD

	Sales (*)			EBITDA		
	2009 YTD	2010 YTD	Evol. %	2009 YTD	2010 YTD	Evol. %
<b>SWE</b>	181,4	185,0	2,0%	9,4	14,5	54,3%
<b>NEEMEA</b>	51,9	55,2	6,3%	6,0	6,5	8,6%
<b>AAP</b>	40,3	49,6	23,1%	3,1	5,1	62,7%
<b>Industrial</b>	157,9	178,9	13,3%	22,7	38,0	67,4%
<b>TOTAL, Consolidated</b>	<b>320,0</b>	<b>335,5</b>	<b>4,9%</b>	<b>37,9</b>	<b>49,4</b>	<b>30,2%</b>

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

(\*) Restatement of figures in 1Q2009 in accordance to actual business segments

# Results 1S2010 - Sales Evolution by Geographical Area

Fluidra Sales by Geographical Area					
€M	2009 YTD	%	2010 YTD	%	Evolution 10/09
Spain	84,9	26,5%	92,2	27,5%	8,5%
South Europe - Rest	125,6	39,3%	126,1	37,6%	0,4%
Western & Northern Europe	48,5	15,1%	48,4	14,4%	-0,1%
Eastern Europe	11,7	3,7%	12,1	3,6%	3,0%
Asia & Australia	30,9	9,7%	37,6	11,2%	21,6%
Rest of World	18,3	5,7%	19,2	5,7%	4,6%
<b>TOTAL</b>	<b>320,0</b>	<b>100,0%</b>	<b>335,5</b>	<b>100,0%</b>	<b>4,9%</b>

- Spain registers an 8,5% increase driven by solid recurrent sales in Residential Pool, the strong growth of Commercial Pool and the growing contribution of the rest of Business Units
- South Europe shows a flat evolution, with a continuation of the strong growth in France (+7,4%) together with some recovery in Italy and Portugal in the second quarter
- In Western and Northern Europe the positive evolution of United Kingdom (+5,2%) and Austria (+8,6%) compensates the lower demand in the rest of the markets
- In Eastern Europe sales recover thanks to positive evolution in Russia and Rumania
- Asia and Australia maintain a positive trend accentuated by a positive exchange rate effect

Results first semester 2010 – August 27th, 2010

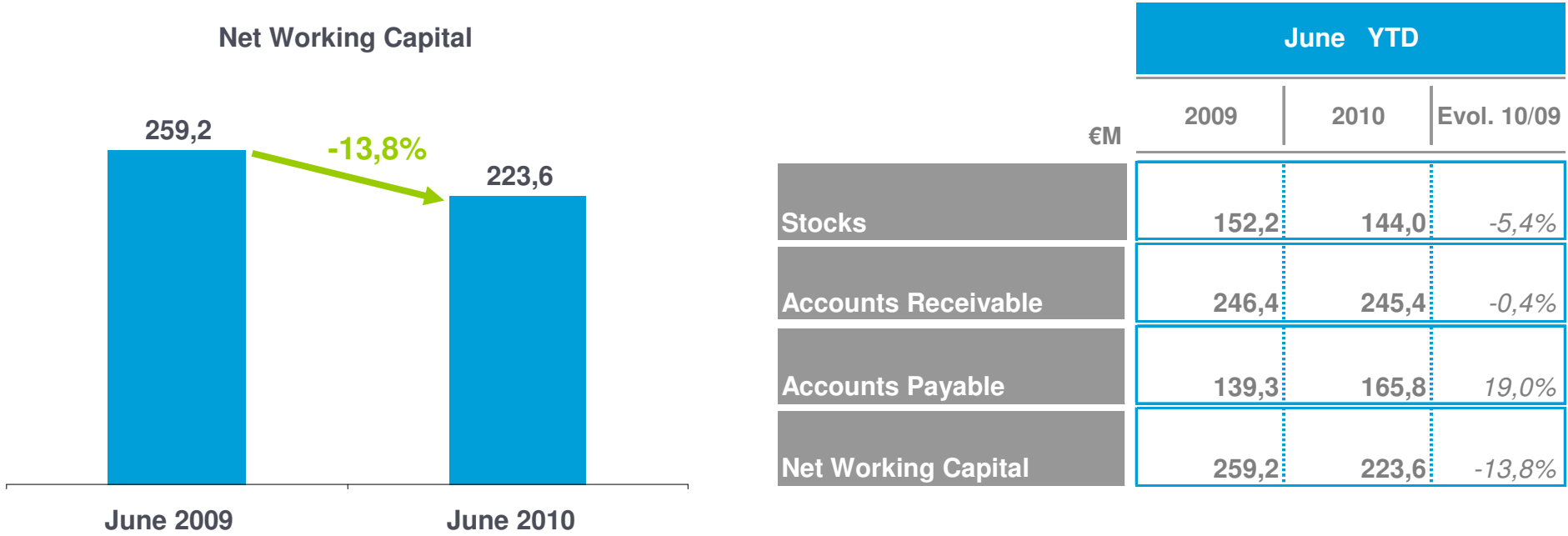
# Results 1S2010 – Sales by Business Unit

€ M	2009 YTD	% of Total	2010 YTD	% of Total	Evolution %
<b>Pool (1)</b>	<b>219,2</b>	<b>68,5%</b>	<b>231,3</b>	<b>68,9%</b>	<b>5,5%</b>
- Private	186,8	58,4%	195,6	58,3%	4,8%
- Commercial	32,5	10,1%	35,6	10,6%	9,7%
<b>Water Treatment</b>	<b>57,4</b>	<b>17,9%</b>	<b>61,7</b>	<b>18,4%</b>	<b>7,4%</b>
<b>Irrigation</b>	<b>16,0</b>	<b>5,0%</b>	<b>15,9</b>	<b>4,8%</b>	<b>-0,6%</b>
<b>Fluid Handling</b>	<b>27,3</b>	<b>8,5%</b>	<b>26,7</b>	<b>7,9%</b>	<b>-2,4%</b>
<b>TOTAL</b>	<b>320,0</b>	<b>100,0%</b>	<b>335,5</b>	<b>100,0%</b>	<b>4,9%</b>

(1) Excludes pool Water Treatment

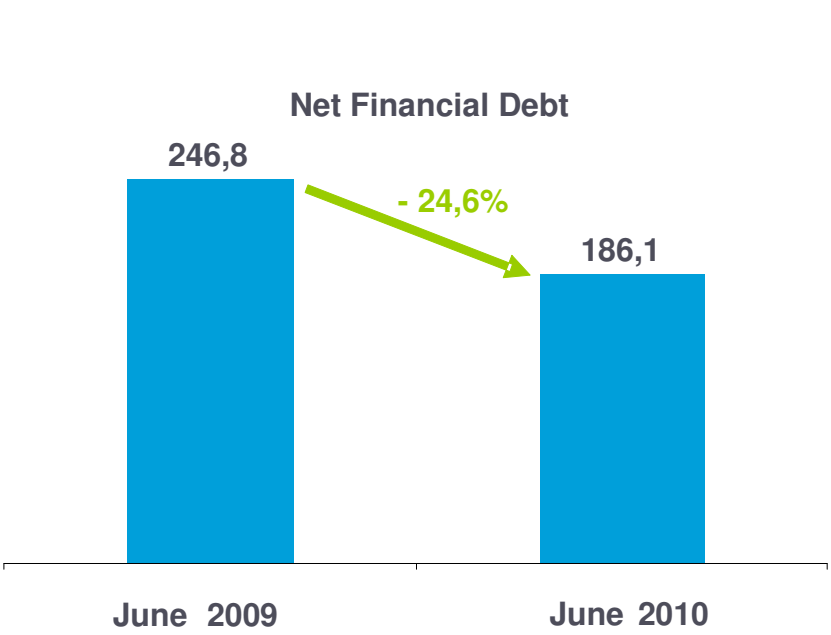
- Pool shows a significant improvement as a result of Residential Pool strong recovery and the continuation of Commercial Pool robust growth
- Water Treatment accentuates the recovery initiated in March due to higher penetration in the Industrial market and the strong growth of the Residential segment.
- In Irrigation, sales experience an important recovery in the second quarter driven by the strong sales increase in Landscape
- Fluid Handling continues with the progressive recovery trend started in the first quarter

# Results 1S2010 – Net Working Capital



- Net Working Capital maintains its declining path initiated in mid 2009, being compatible with the robust Sales growth in the second quarter
- Stock reduction and the continued improvement in Customer Receivables turnover ratio are the key levers behind the sustained reduction of Net Working Capital

# Results 1S2010 – Net Financial Debt and Free Cash Flow



	June YTD	
	2009	2010
Net income	3,2	20,6
Depreciation (+)	19,4	16,0
Increase (-) / Decrease (+) NWC	-31,2	-43,5
Capex	-7,8	-7,8
Free Cash Flow	-16,4	-14,7

- Net Financial Debt experiences a decline of 24,6% annually (-60,7 M€) based on Free Cash Flow good performance
- Net Debt reduction allows Fluidra to consolidate the solidness of its Balance Sheet. Long Term Net Financial Debt represents 74,8% of Total Financial Debt compared to 41,8% in June 2009

# Results 1S2010 – 2Q outstanding news

- Fluidra reinforces its position within Industrial Water Treatment with a 1.5M€ contract for the equipment of a desalinisation plant at South Refineries Company in Iraq
- The company creates the Lean Management Department and starts the execution of the program in Supply Chain, as well as at the manufacturing and distribution plants, with the aim of achieving Efficiency enhancement as one of the key strategic objectives
- The General Shareholder's Meeting held on June 2<sup>nd</sup> approved a 4 M€ gross dividend in account of 2009 Results which will be paid on October 8<sup>th</sup>
- On May 17<sup>th</sup> Fluidra celebrated its first Individual Shareholder's Day on which the retail shareholders attended the CEO and CFO presentations concerning the company evolution

# Results 1S2010 – Summary

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- First semester Results show the beginning of a clear recovery phase of Fluidra profitability after two years effort to adapt the company to market new reality
- Strong Sales growth in the second quarter allows the confirmation of the growth and Sales 2010 guidance gave in February
- In the second quarter Fluidra will continue prioritizing opportunities focused in product innovation and emerging markets development, as well as Efficiency improvement through Lean Management program