

Results 2010



25 February 2011

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Results 2010 – Highlights

	Key magnitudes			
	€M	Dec 09 YTD	Dec 10 YTD	Evol.
Sales		550.4	581.2	5.6%
EBITDA		50.0	64.9	30.0%
Net Income		-7.0	15.9	—
Net Income Normalized		3.4	18.1	—
Net Working Capital		180.0	183.4	1.9%
Free Cash Flow		63.1	28.3	-55.2%
Net Financial Debt		169.5	147.6	-12.9%

Note: Net Income Normalized is calculated before extraordinary items.

- **Sales** for the year growth 5.6% with good performance of all Business Units
- Excellent **EBITDA** increase driven by Sales and efficiency improvements
- **Net Profit** boosted by strong EBIT (+ 71.0%) and solid Debt management

- **Net Working Capital** and **Net Financial Debt** level aligned with year end expectations
- **Free Cash Flow** of 28.3 M€ represents an excellent 178% Net Income conversion to Cash Flow

Results 2010 – Highlights (cont')

The Company has been focused in:

(1) Capturing opportunities in Europe

(2) Expanding into international markets:

2.1 Entrance in emerging markets

2.2 Project companies

2.3 Sales diversification beyond South Europe

2.4 Acquisition of Aqua Products and Aquatron to strengthen our Pool leadership

(3) Implementation of Lean Management Program in order to improve efficiency and productivity

Results 2010 – P&L

	December 2009 YTD		December 2010 YTD		Evol.10/09
	€ M	% sales	€ M	% sales	
Sales	550.4	100,0%	581.2	100.0%	5.6%
Gross Margin	263.6	47,9%	287.6	49.5%	9.1%
Opex before Dep.& Amort.	204.1	37,1%	216.9	37.3%	6.3%
Provisions for bad debt	9.6	1,7%	5.8	1.0%	-39.6%
EBITDA	50.0	9,1%	64.9	11.2%	30.0%
EBIT	18.5	3,4%	31.6	5.4%	71.0%
Net Financial Expense	-10.5	-1,9%	-4.9	-0.8%	53.6%
Profit Before Tax	-6.1	-1,1%	23.5	4.1%	
Net Income	-7.0	-1,3%	15.9	2.7%	
Net Income Normalized	3.4	0,6%	18.1	3.1%	

Note: Net Income Normalized is calculated before extraordinary items.

- Sales boosted its positive trend in the fourth quarter improving from 4.4% growth for the first nine months
- Gross Margin increases 160 basis points due to productivity improvements obtained after the restructuring actions implemented in 2009 and higher manufacturing volumes
- Opex increase is due to manufacturing volume, exchange rate and investment in emerging markets
- Net Financial Expense is lower than the prior year due to the reduction of both average Financial Debt and its cost

Results 2010 – Quarterly results

	Sales		EBITDA			Net Income		
	€ M	Evol. 10/09	€ M	% sales	Evol. 10/09	€ M	% sales	Evol. 10/09
Q1	123.7	0.3%	9.8	7.9%	63.6%	0.1	0.1%	n.a
Q2	211.8	7.7%	39.6	18.7%	23.8%	20.5	9.7%	119.0%
Q3	145.5	3.4%	15.6	10.8%	22.5%	3.5	2.4%	233.7%
Q4	100.2	11.7%	-0.1	-0.1%	89.0%	-8.2	-8.2%	27.0%
Full year 2010	581.2	5.6%	64.9	11.2%	30.0%	15.9	2.7%	n.a

- Sales grow 11.7% in the quarter, driven by growth in Australia, Asia, Americas & Middle East
- Continued improvement of Sales, EBITDA and Net Income in each quarter

Results 2010 – Key Magnitudes by Division

	Sales (*)			EBITDA		
	2009 YTD	2010 YTD	Evol. %	2009 YTD	2010 YTD	Evol. %
SWE	313.2	316.0	0.9%	12.5	18.0	44.6%
NEEMEA	88.0	98.9	12.4%	8.4	9.5	12.8%
AAP	85.0	109.0	28.3%	7.9	11.7	48.5%
Industrial	247.4	273.5	10.5%	34.3	49.8	45.3%
TOTAL, Consolidated	550.4	581.2	5.6%	50.0	64.9	30.0%

Note: sales by Division aggregated include intragroup sales, with 2009 figures calculated with actual business segments.

- All Divisions improve their EBITDA as a consequence of Sales growth and measures to increase efficiency implemented during last year.

Results 2010 - Sales Evolution by Geographical Area

	Fluidra Sales by Geographical Area				
	€M	2009	%	2010	%
Spain	145.4	26.4%	150.0	25.8%	3.1%
South Europe - Rest	201.7	36.6%	202.2	34.8%	0.2%
Western & Northern Europe	79.9	14.5%	80.1	13.8%	0.2%
Eastern Europe	22.6	4.1%	23.9	4.1%	5.9%
Asia & Australia	68.1	12.4%	85.8	14.8%	26.0%
Rest of World	32.7	5.9%	39.3	6.8%	20.1%
TOTAL	550.4	100.0%	581.2	100.0%	5.6%

- Spain closes 2010 sales with accumulated growth of 3.1%
- South Europe Sales maintain similar level to 2009, continuing with the positive trend of France and the relative improvement of the negative growth rates of Italy and Portugal.
- Asia and Australia together with Rest of the World area achieve double digit growth in the quarter

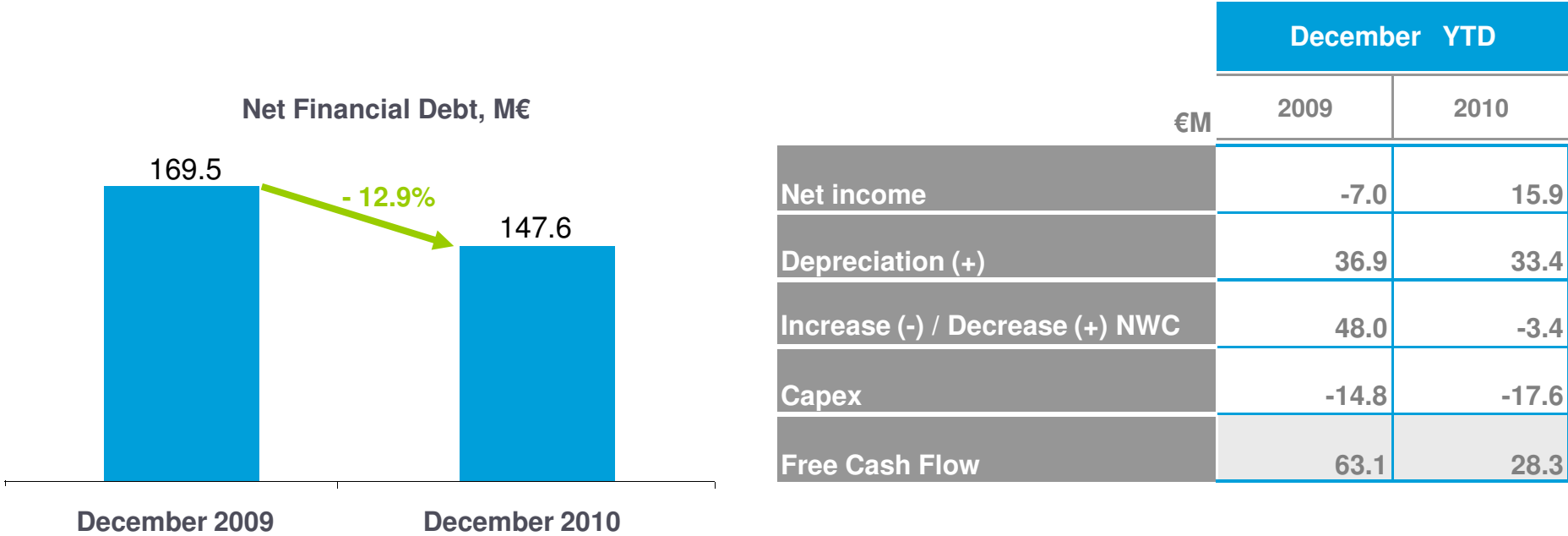
Results 2010 – Sales by Business Unit

€ M	2009	% of Total	2010	% of Total	Evolution %
Pool (1)	372.8	67.7%	396.7	68.3%	6.4%
- Private	310.1	56.3%	330.9	56.8%	6.7%
- Commercial	62.7	11.4%	65.8	11.3%	5.1%
Water Treatment	98.2	17.8%	103.8	17.9%	5.7%
Irrigation	31.0	5.6%	32.4	5.6%	4.7%
Fluid Handling	48.4	8.8%	48.2	8.3%	-0.4%
TOTAL	550.4	100.0%	581.2	100.0%	5.6%

(1) Excludes Water Treatment sales

- Pool has accelerated its growth rate in the fourth quarter driven by excellent performance of Asia, Australia and Rest of the World
- Water Treatment grows 5.7% with positive trend on both Industrial and Residential Water Treatment
- Irrigation growth of 4.7% supported mainly by Landscaping
- Fluid Handling has registered a progressive improvement every quarter supported by growth in Northern and Eastern Europe

Results 2010 – Net Financial Debt and Free Cash Flow

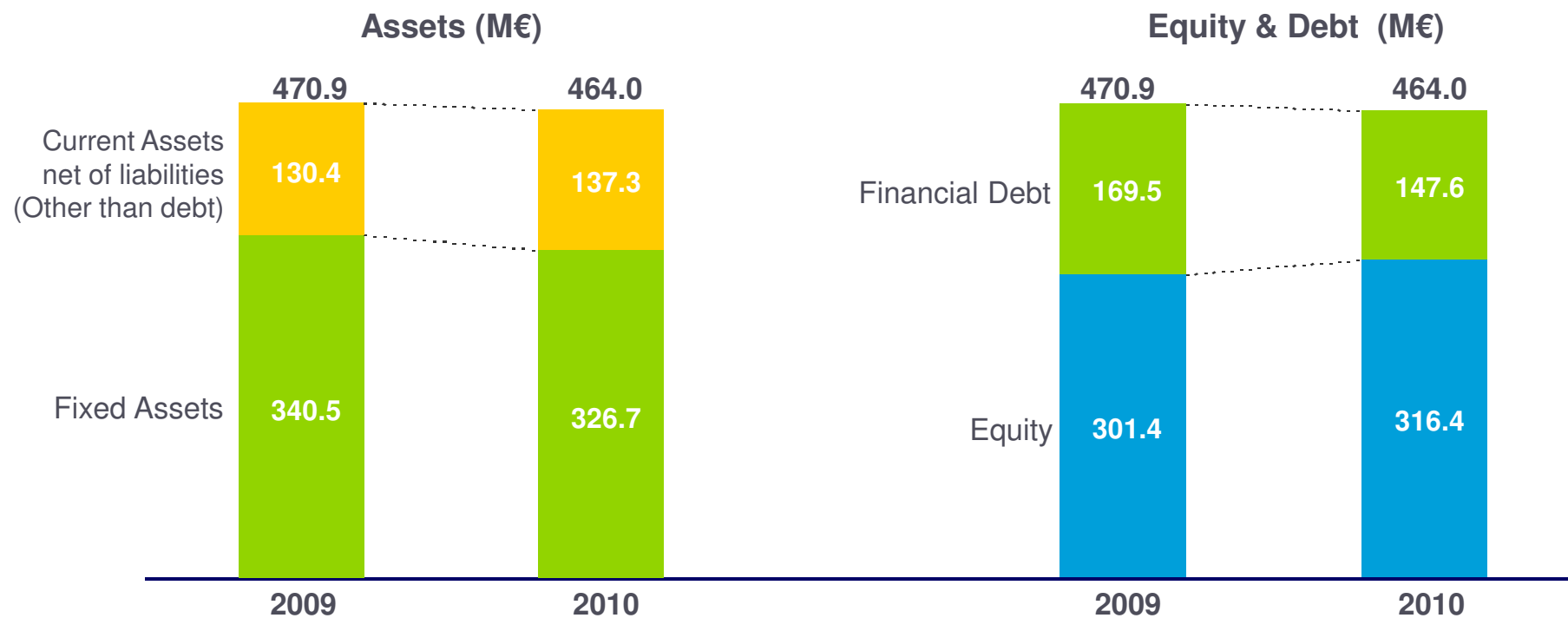


- Free Cash Flow of 28.3 M€ represents an excellent 178% Net Income conversion to Cash Flow.
- Net Financial Debt shows a reduction of 12.9% (-21.9 M€) with long term portion representing 81.2% of Net Financial Debt, which compares to 63.1% in December 2009

Results 2010 – Balance Sheet evolution

	€M	
	2009	2010
NFD/Equity	0.56x	0.47x
NFD /EBITDA	3.39x	2.27x

- Improved ratios demonstrate the strength of the Balance Sheet



Results 2010 – Outstanding news

2010:

- Branch opening in Egypt and Malaysia and Middle East. Group presence in 33 countries.
- Fluidra reinforces its position within Industrial Water Treatment with a 1.5M€ contract for the equipment of a desalinization plant at South Refineries Company in Iraq and a Water Treatment plant in a stainless steel plant for 4.4 M€ in Malaysia
- 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 2nd approved a 4 M€ gross dividend in account of 2009 Results which will be paid on October 8th
- Xavier Tintoré joins Fluidra as its new CFO. Tintoré has a Degree in Business Studies from the ESADE, he passed the General Management Programme (PDG) run by the IESE, and he holds a master's degree from the École des Hautes Etudes Commerciales (HEC, Paris). Fluidra's new senior manager has long-standing experience in finance and international affairs

2011:

- Fluidra has signed an agreement to acquire Aqua Products and Aquatron, a leading global manufacturer of electronic swimming pool cleaners. With some 300 employees, the Aqua Products group operates in 40 countries and turns over 33M€. The company specializes in the design, manufacture and distribution of electronic pool cleaners, and is one of the world's largest manufacturers. The know-how and technology provided by Aqua Products are a perfect complement to Fluidra's own products to reinforce its strength in the pool business and in the US market.

Aqua Group acquisition - Summary

**Strengthen pool
leadership**

Leadership in innovative technology

Focus in value added product in US

**Strong
value generation**

Growth in high margin market

Solid and reliable synergies

Aqua Group acquisition - Impact on Fluidra

Aqua Products/Aquatron Consolidated LTM Sep'09-Aug'10

	M USD	M EUR	%Sales
Sales	44.9	34.5	
EBITDA	10.5	8.1	24%
EBIT	9.6	7.4	21%
Net Income	8.7	6.7	19%
FCF	7.6	5.9	17%
NFD	0.0	0.0	

- Transaction closing depends on approvals from Israeli Authorities, which are expected within next 2 months
- Fluidra is today Aqua's largest customer with over 4M€ in sales
- Acquisition will be financed with 33M€ of incremental debt, however maintaining 2.5x NFD/EBITDA year end multiple
- Step-up of assets and goodwill amortization will have an incremental impact on depreciation estimated around 3.5M€

The transaction is accretive on a full year basis and maybe neutral if closing is delayed into April

Results 2010 – Summary

- Performance in 2010 with positive Sales growth of 5.6%, excellent Cash generation of 28.3M€ and a 30% increase in EBITDA to 65M€ confirms the company strategy is successful
- The execution of this strategy is the base of our organic growth:
 - Internationalization
 - Expansion of Wellness and industrial Water Treatment projects
 - Diversification
- Profitability and cash generation will continue to be improved thanks to the results of the Lean Management Program, maintaining year end Net Financial debt target below 2.5X EBITDA
- The integration of Aqua Products and Aquatron will be a key focus area for the year to ensure capturing the expected synergies in the following years