

FLUIDRA, S.A.

**Annual Accounts and Directors' Report
31 December 2008 and 2007**

(With Auditors' Report thereon)

(Free translation from the original in Spanish.
In the event of discrepancy, the Spanish-language version prevails)

Auditors' Report on the Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy the original Spanish-language version prevails.)

To the Shareholders of
Fluidra, S.A.

We have audited the annual accounts of Fluidra, S.A. (the "Company"), which comprise the balance sheet at 31 December 2008, the income statement, the statement of changes in equity, the statement of cash flows for the year then ended and the notes thereto, the preparation of which is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the annual accounts taken as a whole, based on our audit which was conducted in accordance with generally accepted auditing standards in Spain, which require examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts and evaluating their overall presentation, as well as the appropriateness of the accounting principles used and the reasonableness of accounting estimates made.

These annual accounts for 2008 are the first the Company's Directors have prepared applying the Spanish General Chart of Accounts approved by Royal Decree 1514/2007. In accordance with section one of the fourth transitional provision of this Royal Decree, the transition date has been considered as 1 January 2007 and therefore, these annual accounts for 2008 include, for each individual caption in the balance sheet, income statement, statement of changes in equity, statement of cash flows and notes thereto, comparative figures for the previous year, which have been obtained from the application of the Spanish General Chart of Accounts approved by Royal Decree 1514/2007. Consequently, the corresponding figures for the previous year differ from those included in the annual accounts approved for 2007, which were prepared in accordance with the accounting principles in force during that year. Note 19 to the annual accounts, "Issues Arising from Transition to the New Accounting Principles", includes an explanation of the main differences between the current and former accounting principles, as well as a quantification of the impact of this change in accounting principles on equity at 1 January 2007 and 31 December 2007 and on results for 2007. We express our opinion solely on the annual accounts for 2008. On 26 March 2008 we issued our unqualified audit report on the annual accounts for 2007, which were prepared in accordance with the generally accepted accounting principles in Spain prevailing that year.

In our opinion, the accompanying annual accounts for 2008 present fairly, in all material respects, the equity and financial position of Fluidra, S.A. at 31 December 2008 and the results of its operations and changes in equity and cash flows for the year then ended, and contain sufficient information necessary for their adequate interpretation and understanding, in accordance with generally accepted accounting principles in Spain which have been applied on a basis consistent that used in the preparation of the figures and information for the preceding year and have been included in the 2008 annual accounts for comparative purposes.

The accompanying directors' report for 2008 contains such explanations as the Directors consider relevant to the situation of Fluidra, S.A., the evolution of its business and other matters, and is not an integral part of the annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the annual accounts for 2008. Our work as auditors is limited to the verification of the directors' report within the scope described in this paragraph and does not include a review of other information other than that obtained from the accounting records of the Company.

KPMG Auditores, S.L.

(Signed on the original in Spanish)

Manuel Blanco Vera
Partner

27 March 2009

FLUIDRA, S.A.

SUMMARY

(Expressed in thousands of Euros)

(Free translation from the original in Spanish.
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FLUIDRA, S.A.

Balance Sheet

31 December 2008 and 2007

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

<u>Assets</u>	<u>Notes</u>	<u>31/12/2008</u>	<u>31/12/2007</u>
Intangible assets	5	76	51
Property, plant and equipment	4	81	101
Non-current investments in group companies and associates	6	252.865	245.752
Non-current investments		1.695	1.908
Derivative financial instruments	7 & 11	11	91
Equity instruments	7	319	452
Other financial assets	7	1.365	1.365
Deferred tax assets	20	2.062	2.007
Total non-current assets		256.779	249.819
Trade and other receivables	8	3.331	1.965
Current investments in group companies and associates		112.926	100.207
Loans to companies	6	4.450	7.995
Other financial assets	6	108.476	92.212
Current investments		4	-
Derivative financial instruments	11	4	-
Cash and cash equivalents		6.060	11.900
Total current assets		122.321	114.072
TOTAL ASSETS		379.100	363.891
<u>Equity</u>			
Share capital		112.629	112.629
Share premium		92.831	92.831
Reserves		42.668	43.429
Profit for the year		7.513	12.922
Treasury shares		(4.862)	(819)
Valuation adjustments		(487)	-
Hedging operations		(487)	-
Total equity	9	250.292	260.992
<u>Liabilities</u>			
Non-current payables		18.070	16.789
Loans and borrowings	10	17.364	16.544
Derivative financial instruments	11	706	245
Deferred tax liabilities	20	4.013	2.714
Non-current provisions		65	-
Total non-current liabilities		22.148	19.503
Current payables		87.774	59.770
Loans and borrowings	10	87.768	59.674
Derivative financial instruments	11	6	96
Group companies and associates - current	12	18.297	16.147
Trade and other payables	13	589	7.479
Total current liabilities		106.660	83.396
TOTAL EQUITY AND LIABILITIES		379.100	363.891

FLUIDRA, S.A.

Income Statement

31 December 2008 and 2007

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Notes	31/12/2008	31/12/2007
Revenue		10.170	17.142
Dividend income	15	10.170	17.142
Other operating income		-	3.125
Personnel expense	16	(258)	(589)
Other operating expenses		(1.276)	(7.063)
Depreciation and amortisation expense	4 & 5	(35)	(19)
Results from operating activities		8.601	12.596
Finance income		283	321
Other investment income		283	321
Group companies and associates		-	-
Other		283	321
Finance expenses		(2.194)	(1.913)
Group companies and associates		-	-
Other investment income		(2.194)	(1.913)
Change in fair value of financial instruments		116	(331)
Derivative financial instruments		249	(283)
Proceeds from available-for-sale financial assets	7	(133)	(48)
Exchange gains		420	218
Impairment and losses on disposal of financial instruments	6	(800)	(345)
Net finance expense		(2.175)	(2.050)
Profit before income tax		6.426	10.546
Income tax expense	20	(1.087)	(2.376)
Profit from continuing operations		7.513	12.922
EBITDA		8.636	12.615
Basic earnings per share (expressed in Euros)		0,06735	0,11473
Diluted earnings per share (expressed in Euros)		0,06735	0,11473

FLUIDRA, S.A.

Statement of Changes in Equity
for the years ended 31 December 2008 and 2007

A) Statement of Recognised Income and Expenses

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	<u>Notes</u>	<u>31/12/2008</u>	<u>31/12/2007</u>
Profit for the year		7,513	12,922
Cash flow hedging		(696)	-
Tax effect		209	-
Total income and expenses recognised directly in equity		<u>(487)</u>	<u>-</u>
Total recognised income and expense		<u><u>7,026</u></u>	<u><u>12,922</u></u>

FLUIDRA, S.A.
Statement of changes in equity
for the years ended 31 December 2008 and 2007

(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Share capital	Share premium	Legal reserve	Other reserves	Profit for the year	Treasury shares	Interim dividend	Valuation adjustments	Total
Balance at 1 January 2007	112.629	92.831	1.928	3.564	55.695	-	(6.500)	-	260.147
Net profit recognised directly in equity	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	12.922	-	-	-	12.922
Total recognised income and expenses	-	-	-	-	12.922	-	-	-	12.922
Operations with own shares (net)	-	-	-	(258)	(17.500)	(819)	6.500	-	(1.077)
Distribution of dividends	-	-	-	-	(38.195)	-	-	-	(11.000)
Other changes in equity	-	-	5.639	32.556	-	-	-	-	-
Balance at 31 December 2007	112.629	92.831	7.567	35.862	12.922	(819)	-	-	260.992
Net profit recognised directly in equity	-	-	-	-	7.513	-	-	(487)	(487)
Profit for the year	-	-	-	-	-	-	-	-	7.513
Total recognised income and expenses	-	-	-	-	7.513	-	-	(487)	7.026
Operations with own shares (net)	-	-	-	(3.547)	-	(4.043)	-	-	(7.590)
Distribution of dividends	-	-	-	-	(10.136)	-	-	-	(10.136)
Other changes in equity	-	-	1.184	1.602	(2.786)	-	-	-	-
Balance at 31 December 2008	112.629	92.831	8.751	33.917	7.513	(4.862)	-	(487)	250.292

FLUIDRA, S.A.

Statement of Cash Flows
for the years ended
31 December 2008 and 2007
(Expressed in thousands of Euros)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

	Notes	31/12/2008	31/12/2007
<u>Cash flows from operating activities</u>			
Profit for the year before tax		6.426	10.547
Adjustments for:			
Amortisation and depreciation		35	19
Impairment losses	4 y 5	934	393
Finance income	6 y 7	(283)	(321)
Finance expense		2.194	1.913
Change in fair value of financial instruments		(249)	283
Changes in operating assets and liabilities	11		
Trade and other receivables		(1.199)	49.440
Trade and other payables		(3.436)	168
Other cash flows from operating activities			
Interest paid		(1.705)	(1.437)
Income tax received (paid)		1.537	(659)
Cash flows from operating activities		<u>4.254</u>	<u>60.346</u>
<u>Cash flows from investing activities</u>			
Proceeds from sale of property, plant and equipment		-	5
Proceeds from sale of intangible assets	4	-	1
Proceeds from sale of investments	6	-	-
Payments for investments in property, plant and equipment		(40)	(53)
Acquisition of intangible assets		-	(56)
Payments for investments in financial assets		(7.848)	(500)
Cash flows from investing activities		<u>(7.888)</u>	<u>(603)</u>
<u>Cash flows from financing activities</u>			
Acquisition of own equity instruments		(7.590)	(1.678)
Proceeds from treasury shares		-	602
Issue of loans and borrowings		36.940	48.589
Payments for debts with group and associated companies		(13.187)	(83.056)
Redemption and repayment of loans and borrowings		(8.232)	(5.872)
Dividends paid		(10.136)	(11.000)
Cash flows from financing activities		<u>(2.205)</u>	<u>(52.415)</u>
Increase/(decrease) in cash and cash equivalents		(5.840)	7.328
Cash and cash equivalents at beginning of year		11.900	4.464
Effect of exchange rate fluctuations		-	108
Cash and cash equivalents at year end		6.060	11.900

FLUIDRA, S.A.

Notes to the Annual Accounts

(Expressed in thousands of Euros)

(Free translation from the original in Spanish.
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1. Nature and Principal Activities

Fluidra, S.A. (hereinafter the Company) was incorporated in Girona with limited liability under Spanish law on 3 October 2002 under the name of Aquaria de Inv. Corp., S.L. Its name was changed to the current one on 17 September 2007.

The statutory and principal activities of the Company consist of the holding and use of shares, stocks and other securities and advising, managing and administering companies in which it holds an interest.

The registered offices of the Company are located at Avenida Francesc Macià, nº 60, planta 20, in Sabadell (Barcelona).

The Company is the Parent of a group, the principal activity of which consists of the manufacture and commercialisation of accessories and specific products for swimming pools, irrigation, and water treatment and purification systems.

Fluidra, S.A. is the Parent of the Group formed of the subsidiaries (hereinafter Fluidra Group or the Group) details of which are included in Appendix I. The Group also holds interests in other entities and in joint ventures, which are detailed in Appendix I.

2. Basis of Presentation**a) Fair view and comparison of information**

The annual accounts at 31 December 2008 have been prepared on the basis of the Company's accounting records and in accordance with prevailing mercantile legislation and the Spanish General Chart of Accounts approved by Royal Decree 1514/2007 to present fairly the Company's equity and financial position at 31 December 2008 and results of operations, changes in equity and cash flows for the year then ended.

The annual accounts for 2008 are the first the Company has prepared applying the Spanish General Chart of Accounts approved by Royal Decree 1514/2007. In accordance with section one of the fourth transitional provision of this Royal Decree, 1 January 2007 has been considered as the transition date and therefore, the opening balance sheet date. Consequently, the balance sheet, income statement, statement of changes in equity, statement of cash flows, and the statement of recognised income and expense for 2008 include comparative figures for the previous year, which have been obtained by applying the accounting principles established in the Spanish General Chart of Accounts approved by Royal Decree 1514/2007. The prior year's figures therefore differ from those presented in the 2007 annual accounts approved by the shareholders at the annual general meeting held on 31 May 2008, which were prepared in accordance with the accounting principles prevailing that year. Note 19 "Issues arising from transition to new accounting standards" includes an explanation of the main differences between the accounting principles applied in the current year and those applied in the previous year, as well as a quantification of the impact of this change in accounting criteria on equity at 1 January and 31 December 2007 and on the result for 2007.

The directors consider that the annual accounts for 2008 will be approved without significant changes.

The figures disclosed in the annual accounts are expressed in thousands of Euros, the Company's functional and presentation currency, rounded off to the nearest thousand.

FLUIDRA, S.A.

Notes to the Individual Financial Statements

31 December 2008

(Expressed in thousands of Euros)

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b) Group of companies

As mentioned in note 6, the Company holds shares in subsidiaries and therefore, in accordance with prevailing legislation, it is the Parent of a Group. In addition to the individual annual accounts, on 26 March 2009 the directors prepared the consolidated annual accounts of Fluidra, S.A. and subsidiaries at 31 December 2008 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS), which show a net profit attributable to equityholders of the Parent of Euros 21,040 thousand and equity of Euros 306,733 thousand.

c) Critical issues regarding the valuation and estimation of relevant uncertainties and judgements used when applying accounting principles

Relevant accounting estimates and judgements, estimates and assumptions have to be made when applying the Company's accounting principles to prepare the annual accounts. A summary of the items requiring a greater degree of judgement or which are more complex, or where the assumptions and estimates made are significant to the preparation of the annual accounts is as follows:

- Relevant accounting estimates and assumptions and judgements when applying accounting principles

The Company's annual accounts for 2008 include estimations made by Management to quantify certain assets, liabilities, income, expenses and obligations recognised therein. These estimations basically refer to the following:

-Impairment of investments in group companies and associates:

An analysis of the impairment of investments in group companies and associates implies an analysis of the recoverable amount of these investments, which is the higher of an asset's fair value less costs to sell and the present value of cash flows expected to be received. To calculate this recoverable amount cash flow projections based on past results and expectations on the performance of each of the markets are used (see note 3 d x). The calculation of the recoverable amount implies the use of estimations by Management. Key assumptions to determine the fair value less costs to sell and value in use include growth rates, yield, discount rate and tax rates. The estimations, including the methodology used, could have a significant impact on impairment and impairment loss

-Fair value of financial instruments and certain unquoted assets (see notes 3d & 3e)

-Fair value of the Company's commitment with the management team regarding investment in share capital (see note 8).

- Changes in estimation

In addition, although estimates are calculated by the Company's directors based on the best estimate available at 31 December 2008, future events may take place requiring these estimates to be modified in subsequent years. The effect on the annual accounts of modifications which, where applicable, result from adjustments to be made in subsequent years are recognised prospectively.

3. Significant Accounting Policies

The annual accounts at 31 December 2008 have been prepared in accordance with the accounting principles and measurement standards set out in the Spanish General Chart of Accounts approved by Royal Decree 1514/2007.

FLUIDRA, S.A.

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A summary of the most significant accounting policies is as follows:

a) Foreign currency transactions and balances

Foreign currency transactions have been translated into Euros using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currencies have been translated into Euros at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date.

Non-monetary assets measured at fair value have been translated into Euros at the exchange rate at the date that the fair value was determined.

In the statement of cash flows, foreign currency transaction cash flows have been translated into Euros at the exchange rates at the dates the cash flows occur.

The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currencies is recognised separately in the statement of cash flows as effect of exchange rate fluctuations.

Exchange gains and losses arising on the settlement of foreign currency transactions and the translation into Euros of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

b) Property, plant and equipment

Property, plant and equipment are measured at cost of acquisition. Property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment valuation allowances.

Property, plant and equipment are depreciated by allocating the depreciable amount of an asset on a systematic basis over its useful life. The depreciable amount is the cost of an asset, less its residual value. The Company determines the depreciation charge separately for each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and with a useful life that differs from the remainder of the asset.

Property, plant and equipment are depreciated using the following criteria:

	Depreciation method	Estimated years of useful life
Other installations, equipment and furniture	Straight-line	10
Information technology equipment	Straight-line	4
Motor vehicles	Straight-line	6.25

The Company reviews residual values, useful lives and depreciation methods at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates.

Subsequent to initial recognition of the asset, only the costs incurred which increase capacity or productivity or which lengthen the useful life of the asset are capitalised. The carrying amount of parts that are replaced is derecognised. Costs of day-to-day servicing are recognised in profit and loss as incurred.

The Company evaluates whether there are indications of possible impairment losses to verify whether the carrying amount of these assets exceeds the fair value, which is the higher of fair value, less costs to sell and value in use. Impairment losses are recognised in profit or loss and are only reversed if there has been a change in the estimates used to calculate the recoverable amount of the asset.

A reversal of an impairment loss is recognised in profit or loss. The increase in the carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. After an impairment loss or reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the asset is adjusted in future periods based on its new carrying amount.

c) Intangible assets

Intangible assets, which fully comprise industrial property and software, are measured at cost or cost of production and are amortised on a straight-line basis over a period of 3 to 5 years.

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Subsequent costs on intangible assets are recognised in profit and loss, unless it increases the expected future economic benefits attributable to the intangible asset.

The Company measures and determines impairment valuation allowances to be recognised or reversed based on the criteria in the preceding section (property, plant and equipment).

d) Financial instruments**i) *Transition***

In accordance with the second transitional provision of Royal Decree 1514/2007 approving the General Chart of Accounts, the Company has opted to classify financial instruments under other financial assets and financial liabilities at fair value through profit or loss which at 31 December 2006 qualified for classification as such. Furthermore, pursuant to the first transitional provision of Royal Decree 1514/2007, the Company has opted to measure all equity items in the opening balance sheet in accordance with the principles and standards prevailing at 31 December 2006, except for financial instruments which are measured at fair value.

ii) *Classification and separation of financial instruments*

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

For the purpose of measurement, financial instruments are classified as financial assets and liabilities held for trading, loans and receivables, debits and payables, available-for-sale financial assets, investments in group companies, associates and jointly controlled entities, and financial assets and financial liabilities carried at cost. This classification depends on the characteristics of the financial instrument and the purpose for which it was acquired.

Regular way purchases and sales of financial assets are recognised at trade date, when the Company undertakes to purchase or sell the asset.

iii) *Offsetting principles*

A financial asset and a financial liability can only be offset when the Company has a legally enforceable right to set off the recognised amounts or intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

iv) *Financial assets and financial liabilities held for trading*

These include derivative financial instruments which have not been designated as hedging instruments.

Equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are not classified in this category.

Financial assets and financial liabilities held for trading are initially recognised at fair value. Transaction costs directly attributable to the acquisition or issue are recognised as an expense when incurred.

After initial recognition, they are recognised at fair value through profit or loss. Fair value is not reduced by transaction costs incurred on sale or disposal. Accrual interest and dividends are recognised separately.

v) *Loans and receivables*

Loans and receivables comprise trade and non-trade receivables with fixed or determinable payments that are not quoted in an active market other than those classified in other financial asset categories. These assets are recognised initially at fair value, including transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Nevertheless, financial assets which have no established interest rate, which mature or are expected to be received in the short term, and for which the effect of updating is immaterial, are measured at their nominal amount.

FLUIDRA, S.A.

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vi) Investments in equity of group companies, jointly controlled entities and associates

Group companies are those over which the Company, either directly or indirectly, through subsidiaries, exercises control as defined in article 42 of the Spanish Commercial Code, or when the companies are controlled by one or various individuals or entities acting jointly or under the same management through agreements or statutory clauses.

Control is the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities, in assessing control potential voting rights held by the Company or other entities that are exercisable or convertible at the end of each reporting period are considered.

Associates are companies over which the Company, either directly or indirectly through subsidiaries, exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The existence and effect of potential voting rights that are exercisable or convertible at the end of each reporting period, including potential voting rights held by the Company or other entities, are considered when assessing whether an entity has significant influence.

Jointly controlled entities are those which are jointly controlled by the Company or one or more group companies, including parent entities or individuals, and one or more third parties.

Investments in group companies, jointly controlled entities and associates are initially recognised at cost, which is equivalent to the fair value of the consideration paid, including transaction costs, and are subsequently measured at cost net of any accumulated impairment losses.

If an investment no longer qualifies for classification under this category, it is reclassified as available-for-sale and is measured as such from the reclassification date.

At least at year end, valuation allowances for impairment losses are made if there is objective evidence that the carrying amount of an investment will not be recovered. The valuation allowance will be equivalent to the difference between the carrying amount and the recoverable amount of the investment, the latter being the higher of its fair value less costs to sell and the present value of estimated future cash flows from the investment, (see section X).

vii) Available-for-sale financial assets

The Company classifies in this category debt securities and equity instruments which do not comply with the requirements for inclusion in the aforementioned categories.

Available-for-sale financial assets are initially recognised at fair value, plus transaction costs directly attributable to the acquisition.

After initial recognition, financial assets classified in this category are measured at fair value and any gain or loss is reclassified from equity to profit or loss, except for impairment losses. Fair value is not reduced by transaction costs incurred on sale or disposal. On disposal of the financial assets amounts recognised in equity are reclassified to profit or loss as described in section x). However, interest calculated using the effective interest method and dividends are recognised in profit and loss using the policy described in section viii).

viii) Financial assets measured at cost

Investments in equity instruments for which fair value cannot be reliably estimated, are stated at cost. Nevertheless, if the Company is able to obtain a reliable value of the financial asset or liability, these are recognised at fair value, recognising profit or loss based on their classification.

For investments in equity instruments measured at cost, the Company recognises income on investments only to the extent that the reserves for accumulated earnings from the investee entity, created following its acquisition, are distributed. Dividends received in excess of these profits are considered as a recovery of the investment and therefore recognised as a decrease in its value.

FLUIDRA, S.A.

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31 December 2008

(Expressed in thousands of Euros)

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ix) Interest and dividends

Interest is recognised using the effective interest method.

Dividends from investments in equity instruments are recognised when the Company is entitled to receive them and are recognised for the net amount of revenues given the Company's activity. If the dividends are clearly derived from profits generated prior to the acquisition date because amounts higher than the profits generated by the investment since acquisition have been distributed, the carrying amount of the investment is reduced.

x) Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In general, the Company applies the following systematic hierarchy to measure the fair value of financial assets and financial liabilities:

- Firstly, the Company applies the quoted prices from the most advantageous active market to which it has immediate access, adjusted as necessary to reflect any difference in credit risk between the instruments usually traded and the one being valued. The bid price is used for an asset held or liability to be issued and the asking price is used for an asset to be acquired or liability held. When the Company has assets and liabilities with offsetting market risks, it may use mid-market prices for the offsetting risk positions and apply the appropriate bid or asking price to the net open position
- If market prices are unavailable, the price of recent transactions are used, adapted to current conditions.

Otherwise, the Company applies generally accepted measurement techniques using market data as much as possible and, to a lesser extent, specific Company data.

xi) Impairment of financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company recognises valuation allowances for impairment of loans and receivables and debt instruments when a reduction or delay is incurred in the estimated future cash flows, due to debtor insolvency.

For equity instruments, objective evidence of impairment exists when the carrying amount of an asset is uncollectible due to a significant or prolonged decline in its fair value. In any case, the instrument is considered to be impaired after a decline of a year and a half and of forty percent of its quoted price, when its value has not recovered.

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- Impairment of financial assets carried at amortised cost

In the case of financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. For variable income financial assets, the effective interest rate is used corresponding to the measurement date under the contractual conditions.

The amount of an impairment loss is recognised in profit and loss and may be reversed in subsequent periods if the decrease can be objectively related to an event occurring after the impairment has been recognised. Nevertheless, the reversal may not result in a carrying amount that would exceed what the amortised cost would have been had the impairment not been recognised.

- Investments in group companies, associates and jointly controlled entities and equity instruments are carried at cost.

An asset is impaired when its carrying amount exceeds its recoverable amount, the latter of which is understood as the higher of the asset's value in use or fair value less costs to sell.

Value in use is calculated based on the Company's share of the present value of future cash flows expected to be derived from ordinary activities and from the disposal of the asset, or the estimated cash flow expected to be received from the distribution of dividends and the final disposal of the investment.

Nonetheless, and in certain cases, unless there is better evidence of the recoverable amount of the investment, when estimating the impairment of these types of assets, the investee's equity is taken into consideration, adjusted, where appropriate, to generally accepted accounting principles in Spain, corrected for latent unrecorded goodwill existing at the measurement date.

In subsequent years, reversals in impairment losses in the form of increases in the recoverable amount are recognised, up to the limit of the carrying amount that would have been determined for the investment if no impairment loss had been recognised.

The impairment loss or reversal is recognised in profit and loss.

The impairment allowance for an investment is limited to the amount of the investment, except when contractual, legal or implicit obligations have been assumed by the Company or payments have been made on behalf of the companies. In the latter case, provision is made.

- Impairment of available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset at fair value through profit or loss has been accounted for in recognised income and expense, the accumulative loss is reclassified from equity to profit or loss when there is objective evidence that the asset is impaired, even though the financial asset has not been derecognised. The amount of the impairment loss reclassified from equity to profit or loss is calculated as the difference between the cost or amortised cost, less any impairment loss previously recognised in profit or loss, and the fair value.

Impairment losses for investments in equity instruments are not reversed through profit or loss. Increases in the fair value after the impairment loss was recognised are classified in equity.

If the fair value of debt instruments increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the increase is recognised in profit and loss up to the amount of the previously recognised impairment loss and any excess is accounted for in recognised income and expense.

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xii) Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the asset or liability was measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and maturity amount and minus any reduction for impairment or uncollectability.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. For financial instruments, for which the related variable for fees, points paid or received, transaction costs, discounts or premiums is repriced to market rates before the expected maturity of the instrument, the amortisation period is the period to the next such repricing date.

Cash flows are estimated considering all the contractual conditions of the financial instrument without considering future loan losses. The calculation includes the fees and points paid or received by the contract parties, as well as the transaction costs and any other premium or discount. In those cases where the Company is unable to reliably estimate the future cash flows or the expected life of a financial instrument, contractual cash flows are used over the full contractual term of the financial instrument.

xiii) Debits and payables

Financial liabilities, including trade and other payables, which are not classified at fair value through profit or loss, are initially recognised at fair value less any transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, liabilities classified under this category are measured at amortised cost using the effective interest method.

e) Derivatives and hedge accounting

The Company uses derivative financial instruments to hedge exposure to currency and interest rate risks arising from its activities. In accordance with its treasury policy, the Fluidra Group does not acquire or hold derivative financial instruments for trading purposes. However, derivative financial instruments that do not qualify for hedge accounting are accounted for as trading instruments.

At the inception of the hedge the Company formally designates and documents the hedging relationships and the objective and strategy for undertaking the hedges. Hedge accounting is only applicable when the hedge is expected to be highly effective at the inception of the hedge and in subsequent years in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, throughout the period for which the hedge was designated (prospective analysis) and the actual effectiveness, which can be reliably measured, is within a range of 80%-125% (retrospective analysis).

For cash flow hedges of forecast transactions, the Company assesses whether these transactions are highly probable and if they present an exposure to variations in cash flows that could ultimately affect profit or loss.

-Cash flow hedges

The Company recognises the portion of the gain or loss on the measurement at fair value of a hedging instrument that is determined to be an effective hedge in recognised income and expense. The ineffective portion and the specific component of the gain or loss or cash flows on the hedging instrument, excluding the measurement of the hedge effectiveness, are recognised under change in fair value of financial instruments.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in equity are reclassified from equity to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss and under the same caption of the income statement.

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The Company discontinues prospectively hedge accounting if the foreseen circumstances affecting fair value hedges arise. In these cases, the cumulative gain or loss on the hedging instrument that has been recognised in equity remains separately in equity until the forecast transaction occurs. If the transaction is no longer expected to occur, the cumulative gain or loss that had been recognised in equity is reclassified from equity to profit or loss as change in fair value of financial instruments.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits with financial institutions. They also include other short-term highly-liquid investments that are readily convertible into cash with original maturities of less than three months.

The Company recognises interest received and paid under cash flows arising from operating activities. Dividends received from subsidiaries and associates are classified as operating activities, while those paid out by the Company are classified as financing activities.

g) Own equity instruments

Incremental costs directly attributable to the issue of equity instruments, except those incurred on the issue of equity instruments as a result of the acquisition of a business are recognised as a deduction from equity, net of any related tax incentives or tax effect.

Where the Company purchases treasury shares, the consideration paid is deducted from equity and presented in a separate category of equity called Treasury shares. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments during the year. Consideration paid or received is recognised directly as a reduction in equity.

Dividends relating to equity instruments are recognised as a reduction in equity when approved by the shareholders.

h) Classification of assets and liabilities as current

The Company classifies assets and liabilities in the balance sheet as current and non-current. Current assets and liabilities are determined as follows:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Company's normal operating cycle, they are held primarily for the purpose of trading, they are expected to be realised within twelve months after the reporting period or are cash or a cash equivalent, unless the assets are restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- Liabilities are classified as current when they are expected to be settled in the Company's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within twelve months after the reporting period or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- Financial liabilities are classified as current when they are due to be settled within twelve months after the reporting period, even if the original term was for a period longer than twelve months, and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorised for issue.
- Deferred tax assets and liabilities are recognised on the balance sheet under non-current assets or liabilities, irrespective of the date of realisation or settlement.

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i) Compensation for termination of employment

Except in the case of justifiable cause, the Company is liable to pay indemnities to employees whose services are discontinued. Termination benefits are recognised as a liability when the Company has a detailed formal plan for the termination and there is a valid expectation among the affected employees that termination will arise either because the plan has already started to be implemented or because its main characteristics have been published.

Termination benefits for voluntary redundancy are recognised when an offer has been made and the Company is without realistic possibility of withdrawal and are measured based on the number of employees expected to accept the offer.

j) Obligations with personnel

As agreed with management, in the case of permanent disability a percentage of the salary earned previously is paid on an annual basis until death. At 2008 there is no related liability as this commitment has been externalised.

k) Revenue from the rendering of services

Revenues associated with the rendering of service transactions are recognised in the income statement by reference to the stage of completion at the balance sheet date when revenues, the stage of completion, the costs incurred and the costs to complete the transaction can be estimated reliably and it is probable that the economic benefits derived from the transaction will flow to the company.

l) Share-based payment transactions

The Company recognises services received from employees in a share-based payment transaction as a personnel expense when they are received and recognises a corresponding increase in equity if the services are received in an equity-settled share-based payment transaction or a related liability if services are received in a cash-settled share-based payment transaction.

The Company recognises equity-settled share-based payment transactions, including capital increases through non-monetary contributions, and the corresponding increase in equity, at the fair value of the goods or services received, unless that fair value cannot be reliably estimated, in which case the value is determined by reference to the fair value of the equity instruments granted.

Equity instruments granted as consideration for services rendered by Company employees or third parties which supply similar services are measured by reference to the fair value of the equity instruments granted.

m) Income tax expense

The income tax expense and tax income for the year comprises current tax and deferred tax.

Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity, or a business combination.

Government assistance that is provided in the form of deductions and benefits in determining taxable income that has the consideration of government grants is recognised as a reduction in the income tax expense in the year in which it is accrued.

In conjunction with certain group companies, the Company files consolidated tax returns, with Fluidra, S.A. being the Parent of this tax consolidated group and responsible for filing the corresponding tax returns with the Spanish taxation authorities (see note 20).

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The accrued income tax expense for the companies forming the consolidated tax group is determined taking into account, in addition to the factors to consider in the case of individual taxation set out previously, the following:

- Temporary and permanent differences arising from the elimination of profits and losses on operations between Group companies, derived from the process of determining consolidated taxable income.
- Deductions and credits that correspond to each company forming the consolidated tax group; for these purposes, deductions and credits are allocated to the company that carried out the activity or obtained the profit necessary to obtain the right to the deduction or tax credit.

A reciprocal credit and debit arises between the companies that contribute tax losses to the consolidated Group and the rest of the companies that offset those losses. Where a tax loss cannot be offset by the other consolidated Group companies, these tax credits for loss carryforwards are recognised as deferred tax assets under respective recognition criteria, considering the tax group as a taxable entity.

The parent company of the Group records the total consolidated income tax payable (recoverable) with a charge (debit) to receivables (payables) with group companies and associates.

The amount of the debt relating to the subsidiaries is recognised with a debit (credit) to payables with group companies.

Recognition of taxable temporary differences

Taxable temporary differences are recognised in all cases, unless:

- They arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit/tax loss;
- They relate to differences associated with investments in subsidiaries and joint ventures for which the Company is able to control the timing of the reversal of the temporary difference and if it is probable that the temporary difference will not reverse in the foreseeable future.

Recognition of deductible temporary differences

Deductible temporary differences are recognised to the extent that:

- It is probable that future taxable profit will be available against which the deductible temporary difference can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit/tax loss;
- They relate to temporary differences associated with investments in subsidiaries, associates, jointly-controlled entities and joint ventures to the extent that temporary differences will revert in the foreseeable future and it is probable that future taxable profit will be available against which the differences can be utilised;

Tax planning opportunities are only considered on evaluation of the recoverability of deferred tax assets and if the Company intends to use these opportunities or it is probable that they will be used.

Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the years when the asset is realised or the liability is settled, based on tax rates and tax laws that are prevailing or have been approved or pending publication by the balance sheet date and reflecting the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets or liabilities.

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n) Transactions between group companies

Transactions between group companies, except those related to mergers, spin-offs and non-monetary contributions mentioned in the previous sections, are recognised at the fair value of the consideration given or received. The difference between this value and the amount agreed is recognised in line with the underlying economic substance of the transaction.

4. Property, Plant and Equipment

Details of property, plant and equipment and movement during 2007 and 2008 are as follows:

	Thousands of euros			Balances at 31/12/2007
	Balances at 01/01/2007	Additions	Disposals	
Cost/revalued cost				
Motor vehicles	2	-	(2)	-
Other installations, equipment and furniture	75	54	(5)	124
	77	54	(7)	124
Accumulated depreciation				
Motor vehicles	-	-	-	-
Other installations, equipment and furniture	(11)	(13)	1	(23)
	(11)	(13)	1	(23)
Carrying amount	66	41	(6)	101

	Thousands of Euros			Balances at 31/12/2008
	Balances at 31/12/2007	Additions	Disposals	
Cost/revalued cost				
Motor vehicles	124	-	-	124
	124	-	-	124
Accumulated depreciation				
Motor vehicles	(23)	(20)	-	(43)
	(23)	(20)	-	(43)
Carrying amount	101	(20)	-	81

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5. Intangible Assets

Details of intangible assets and movement during 2007 and 2008 are as follows:

Thousands of euros				
	Balances at 01/01/2007	Additions	Disposals	Balances at 31/12/2007
Cost				
Patents, licences, trademarks and similar	1	56	-	57
Software	4	-	(4)	-
	5	56	(4)	57
Accumulated amortisation				
Patents, licences, trademarks and similar	(1)	(5)	-	(6)
Software	(2)	-	2	-
	(3)	(5)	2	(6)
Carrying amount	2	51	(2)	51

Thousands of Euros				
	Balances at 31/12/2007	Additions	Disposals	Balances at 31/12/2008
Cost				
Patents, licences, trademarks and similar	57	40	-	97
	57	40	-	97
Accumulated amortisation				
Patents, licences, trademarks and similar	(6)	(15)	-	(21)
	(6)	(15)	-	(21)
Carrying amount	51	25	-	76

6. Investments in group companies and associatesNon-current

Movement in non-current investments in equity instruments of group companies and associates during 2008 and 2007 is as follows:

Thousands of Euros				
	Balances at 01/01/2007	Additions	Disposals	Balances at 31/12/2007
Investments in group companies	246,097	-	-	246,097
Impairment allowances				
Investments in group companies	-	(345)	-	(345)
Carrying amount	246,097	(345)	-	245,752

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	Thousands of Euros			Balances at 31/12/2008
	Balances at 31/12/2007	Additions	Reclassifications	
Investments in group companies	246,097	7,848	-	253,945
Impairment allowances Investments in group companies	(345)	(800)	65	(1,080)
Carrying amount	<u>245,752</u>	<u>7,048</u>	<u>65</u>	<u>252,865</u>

a) Investments in group companies and associates

Information relating to investments in Group companies and associates is provided in Appendix I.

None of the Group companies in which the Company invests are listed on the stock exchange.

Pursuant to the second additional provision of Spanish Limited Companies Act 2 of 23 March 1995, which modifies the revised text of the Spanish Companies Act, the Group companies which are solely-owned companies have been entered as such into the Mercantile Registry.

On 26 March 2008 the Company acquired 22% of the investments in Swimco Corp. SLU from its affiliate Auric Pool SAU for an amount of Euros 5,761 thousand.

In addition, Fluidra, S.A. has increased capital in its affiliate Neokem Grup SAU by Euros 1,250 thousand and has made a contribution to offset current year and prior year's losses of Euros 800 thousand in its affiliate Fluidra Services SAU.

Impairment allowance mainly relate to impairment of the subsidiary Fluidra Services, S.A.U.

Current

Details of current investments in group companies and associates at 31 December 2008 and 2007 are as follows:

	Thousands of euros	
	Balances at 31/12/2008	Balances at 31/12/2007
Receivables from consolidated group companies	4,450	7,995
Receivables from Group companies due to cash pooling	108,476	92,212
	<u>112,926</u>	<u>100,207</u>

In conjunction with certain group companies, the Company files consolidated tax returns, with Fluidra, S.A. being the Parent of this tax consolidated group and responsible for filing the corresponding tax returns with the Spanish taxation authorities (see note 20).

Receivables from and payables to the different Group companies subject to this tax consolidation regime are recognised under payables to/receivables from consolidated group companies.

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Details by company of the receivables between group companies as a result of the tax effect generated by the consolidated tax regime are as follows:

	Thousands of Euros
	Balances at 31/12/2008
Receivables	
Astral Pool, S.A.	837
Auric Pool, S.A.U.	758
Sacopa, S.A.U.	575
Cepex, S.A.U.	474
Astral Export, S.A.	439
Other	1.367
	<u>4.450</u>
	Thousands of Euros
	Balances at 31/12/2007
Receivables	
Astral Pool España, S.A.	2.044
Sacopa, S.A.U.	1.368
Metalast, S.A.U.	938
Cepex, S.A.U.	544
Astral Export, S.A.	511
Other	2.590
	<u>7.995</u>

The Company is also the head of the centralised credit facilities for cash pooling for the group, reflecting the total debt under loans and borrowings. Receivables from and payables to the different Group companies forming part of the cash pooling accounts are recognised under payables to/receivables from Group companies due to cash pooling.

Receivables due to cash pooling includes a US dollar balance outstanding at 31 December 2008 amounting to Euros 2,553 thousand.

7. Non-current investments

Details of non-current investments and movement during 2007 and 2008 are as follows:

	Thousands of Euros			
	Balances at 01/01/2007	Additions	Disposals	Balances at 31/12/2007
Derivative financial instruments (see note 11)	-	91	-	91
Equity instruments	-	500	-	500
Other financial assets	7,790	-	(6,425)	1,365
	<u>7,790</u>	<u>591</u>	<u>(6,425)</u>	<u>1,956</u>
Impairment allowances				
Equity instruments	-	(48)	-	(48)

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Net amount	<u>7,790</u>	<u>543</u>	<u>(6,425)</u>	<u>1,908</u>
Thousands of Euros				
	Balances at 31/12/2007	Additions	Disposals	Balances at 31/12/2008
Derivative financial instruments (see note 11)	91	-	(80)	11
Equity instruments	500	-	-	500
Other financial assets	1,365	-	-	1,365
	<u>1,956</u>	<u>-</u>	<u>(80)</u>	<u>1,876</u>
Impairment allowances				
Equity instruments	(48)	(133)	-	(181)
Net amount	<u>1,908</u>	<u>(133)</u>	<u>(80)</u>	<u>1,695</u>

Equity instruments are classified under the category of available-for-sale financial assets, whilst other financial assets, current investments in group companies and associates (see note 6) and trade and other receivables (see note 8) are classified under loans and receivables. There are no significant differences between the fair values and carrying amounts of these categories.

On 30 March 2006 the Company increased capital through a non-monetary contribution of shares, adhering to the special tax regime included in title VII, chapter VIII of Royal Decree-Law 4 of 5 March 2004, approving the Revised Text of Spanish Income Tax Law.

Initially, the shareholders contributing shares in the aforementioned transaction adhered to this tax exemption, therefore transferring the commitment with the taxation authorities for the corresponding deferred tax liability, which amounts to Euros 7,790 thousand, to the Parent. Nevertheless, on 31 March 2006 these shareholders signed a commitment to reimburse the Parent for the total amount of this exemption, which will be required in the event that the associated shares are sold by the Parent or the corresponding tax is directly settled by the contributing shareholders should they sell all or part of the shares received in exchange for this contribution. Consequently, at 31 December 2006 the Company recognised a non-current deferred tax liability and a non-current receivable, both for the aforementioned amount. Should the Company generate a receivable from the contributing shareholders, the amount payable by the contributing shareholders will be set off by future dividends to be distributed by the Company. As a result of the disposal of shares by the shareholders on 31 October 2007 in relation to floating the Company on the stock market, this non-current deferred tax liability and the non-current receivable have been reduced by Euros 1,365 thousand. These balances are classified under non-current financial assets.

8. Trade and Other Receivables

This balance sheet caption at 31 December 2008 and 2007 is as follows:

	Thousands of Euros	
	Balances at 31/12/2008	Balances at 31/12/2007
Trade receivables, group companies	-	464
Receivables, group companies	87	762
Other receivables	410	298
Public entities	2,834	441
	3,331	1,965

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9. Equity**a) Share capital**

At 31 December 2008 the share capital of Fluidra, S.A. is represented by 112,629,070 ordinary shares of Euro 1 par value each, fully paid. These shares are represented by book entries and are recognised as such in the corresponding accounting register. All shares have the same voting and profit-sharing rights.

On 31 October 2007 the Company completed its flotation on the Spanish stock exchange. This process was carried out through a public share offering of 44,082,943 ordinary shares, of Euro 1 par value each, listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.

The Company only knows the identity of its shareholders from the information that they send to the Company voluntarily or in compliance with applicable legislation. Based on the information available to the Company, the structure of the most significant ownership at 31 December 2008 is as follows:

	Percentage ownership
Boyser, S.R.L.	14.12%
Edrem, S.L.	13.50%
Dispur, S.L.	12.05%
Bansabadell Inversió Desenvolupament, S.A.	9.67%
Aniol, S.L.	8.50%
Grupo Corporativo Empres. Caja de Navarra	5.00%
Bestinver Gestión, S.A. SGIC	5.00%
Other shareholders	32.16%
	<u>100.00%</u>

b) Share premium

This reserve is freely distributable.

c) Reserves and profit for the year

Details of this caption are as follows:

	Thousands of Euros	
	Balances at 31/12/2008	Balances at 31/12/2007
Profit for the year	7,513	12,922
Legal reserve	8,751	7,567
Voluntary reserve	33,917	35,862
	<u>50,181</u>	<u>56,351</u>

1) Legal reserve

In accordance with the revised text of the Spanish Companies Act, 10% of the profits for the year should be taken to a legal reserve until such a reserve reaches an amount equal to at least 20% of the share capital.

The legal reserve may be used to increase share capital provided that the balance left on the

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reserve is at least equal to 10% of the nominal value of the total share capital after the increase. Other than for the aforementioned purpose, provided that this reserve does not exceed 20% of share capital, it can be used to offset losses if no other reserves are available.

2) Share-based payments

In a general meeting held on 5 September 2007 the shareholders approved a share option plan for the management team, including the executive directors.

Upon approval by the board of directors the Plan was started on 11 December 2007 and involves vesting the beneficiaries with a certain number of restricted stock units (RSUs) which will be converted into shares in the Company after a period of four years or once the "value creation period" has elapsed. The start date of the Plan is 1 January 2008.

The RSUs are free of charge and non-transferable and confer the holders the possibility of obtaining one share in the Company for each RSU received, on fulfilling the objective of increasing the value of the Company's shares and the value of the Group's business during the term of the Plan compared to the values existing at the date of the Offer. The holders of the RSUs are not shareholders of the Company unless the RSUs are converted into shares in the Company and the RSUs do not confer the beneficiary the right to further RSUs in the future, as this is a one-off offer which does not establish or ensure future offers.

On 11 December 2007 the board of directors agreed that the maximum number of ordinary shares to be extended to the beneficiaries of the Plan on fulfilling the objectives described in the previous paragraph will be 646,150 shares.

At 31 December 2008 the fair value of this commitment is almost zero and, consequently, no amount has been recognised for this item.

d) Dividends and restrictions on dividend distribution

At 31 December 2008, the Parent's voluntary reserves, amounting to Euros 33,917 thousand, as well as the share premium and profit for the year are freely distributable, but are subject to legal limitations regarding distribution.

In accordance with what was agreed by the shareholders at an extraordinary meeting held on 12 April 2007, the Company approved the distribution of a dividend of Euros 0.0977 per share to the shareholders, totalling Euros 11,000 thousand.

In accordance with the minutes of the Company's ordinary shareholders' meeting held on 30 May 2008, it was agreed to distribute a dividend of Euros 0.08999 per share to the shareholders, totalling Euros 10,136,232.72.

At a meeting held on 26 March 2009 the board of directors agreed to propose to the shareholders that dividends of Euros 4,000,000 be distributed with a charge to results for 2008.

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e) Treasury shares

At a general extraordinary meeting held on 5 September 2007 the shareholders authorised the board of directors to directly or indirectly proceed with the acquisition of the Company's treasury shares, especially and without limitations, to comply with the treasury share option plan for the management team (including executive directors) to cover the employee tranche of the public share offering made for the Company's shares. These authorisations are valid for a period of 18 months as of 6 September 2007.

At the general ordinary meeting held on 30 May 2008 the shareholders of Fluidra, S.A., in accordance with Articles 75 and subsequent articles of the Spanish Companies Act, authorised the Company to proceed with the acquisition of treasury shares directly or through group companies, rendering null and void the authorisations given by the shareholders at the meeting held on 5 September 2007. The shareholders also authorised the Company to apply the treasury share portfolio to execute or cover remuneration packages.

At the board of directors' meeting held on 28 August 2008, the directors unanimously agreed to ratify the actions of the Company's managing director, Mr Eloy Planes Corts, regarding treasury shares, therefore executing the authorisations granted to the board by the shareholders at an extraordinary general meeting held on 5 September 2007 and at an ordinary general meeting held on 30 May 2008.

The board of directors unanimously agreed to authorise the managing director, Mr Eloy Planes Corts, to acquire treasury shares of the Company up to a maximum number which cannot exceed 2% of the Company's capital. This authorisation is valid until 31 December 2009.

At the board of directors' meeting held on 16 December 2008 the directors agreed to increase the managing director's limit to 3% of the Company's capital.

The timing limit and maximum percentage of treasury shares is in line with legal maximum limits.

Movement in treasury shares during 2007 and 2008 has been as follows:

	Number	Euros	
		Par value	Average acquisition/disposal price
Balances at 01/01/07	-	-	-
Acquisitions	241,079	241,079	5.8923
Disposals	(102,157)	(102,157)	5.9608
Balances at 31/12/07	138,922	138,922	5.8950
Acquisitions	1,993,511	1,993,511	3.8073
Disposals	-	-	-
Balances at 31/12/08	<u>2,132,433</u>	<u>2,132,433</u>	<u>3.9433</u>

None of the Parent's treasury shares are held by group companies.

f) Valuation adjustments

This caption includes the gains or losses on the measurement at fair value of the hedging instrument that is determined to be an effective hedge, net of the tax effect.

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g) Proposed distribution of profit

The proposed distribution of the Company's profit for 2008 is as follows:

	Euros
	2008
Basis of allocation	
Profit for the year	7,512,768.89
Distribution:	
Legal reserve	751,276.89
Voluntary reserves	2,761,492
Dividends	4,000,000
Total	<u>7,512,768.89</u>

10. Current and Non-current Loans and Borrowings

Details of the balance sheet captions are as follows:

	Thousands of Euros	
	Balances at 31/12/2008	Balances at 31/12/2007
Bank loans	9,039	7,923
Credit facilities	<u>78,729</u>	<u>51,751</u>
Total current	87,768	59,674
Bank loans	<u>17,364</u>	<u>16,544</u>
Total non-current	17,364	16,544
Total loans and borrowings	<u>105,132</u>	<u>76,218</u>

All these liabilities are classified in the debits and payables category. There are no significant differences between the carrying amount and fair value of these liabilities.

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The terms of the Company's credit facilities at 31 December 2008 are as follows:

Type	Bank	Date of signature	Maturity date	Nominal amount	Currency
Credit facility cash-p.	Banco Sabadell	13-03-07	13-03-10	40,000,000	EUR
Credit facility cash-p.	BBVA	30-03-07	30-03-10	35,000,000	EUR
Credit facility cash-p.	Banesto	02-04-08	02-04-11	35,000,000	EUR
Credit facility cash-p.	Caja Navarra	20-06-08	20-06-09	10,000,000	EUR
Credit facility	Bankinter	20-04-04	Annual rev.	8,000,000	EUR
Credit facility cash-p.	Banco Sabadell	08-10-07	08-10-10	6,500,000	USD
Credit facility cash-p.	La Caixa	31-10-08	31-10-11	25,000,000	EUR
Credit facility cash-p.	Bankinter	31-12-08	31-12-09	2,000,000	USD

All the credit facilities are renewable on a yearly basis in mutual agreement between the parties

Most of the finance expenses recognised on the income statement relate to interest on loans and credit facilities.

Credit facilities accrue interest at an average market rate, fixed or linked to Euribor or Libor, with spreads ranging between 0.3 and 0.65 percentage points.

Loans accrue interest at an average market rate, fixed or linked to Euribor or Libor, with spreads ranging between 0.4 and 1.25 percentage points.

a) Analysis by maturity

Non-current maturity dates of loans and borrowings at 31 December 2007 and 2008 are as follows:

Maturity	Thousands of Euros	
	2008	2007
Up to 1 year	87,768	59,674
2 years	4,136	6,894
3 years	12,754	5,634
4 years	474	3,550
5 years	-	466
	<u>105,132</u>	<u>76,218</u>

Loans and borrowings bear interest at an average market interest rate, which is fixed or linked to Euribor or Libor.

b) Payables in foreign currencies

Loans and borrowings include a payable in Pounds Sterling, the outstanding balance of which is Euros 957 thousand at 31 December 2008 (Euros 1,617 thousand at 31 December 2007) and a US Dollar balance drawn down from the credit facility amounting to Euros 1,278 thousand for 2008.

Finance expenses for 2008 include interest on a Pounds sterling loan amounting to Euros 135 thousand.

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11. Derivative Financial Instruments

Details of derivative financial instruments are as follows_

		2008			
		Thousands of Euros			
Notional amount		Fair values			
		Assets		Liabilities	
		Non-current	Current	Non-current	Current
1) Derivatives held for trading					
a) <i>Exchange-rate derivatives</i>					
Foreign currency forwards	1.821	-	4	-	4
Total derivatives traded in OTC markets		-	4	-	4
b) <i>Interest-rate derivatives</i>					
Interest rate swaps	4.274	-	-	10	2
Interest-rate and currency swaps	-	-	-	-	-
Interest-rate options in OTC markets	4.493	11	-	-	-
Total derivatives traded in OTC markets		11	-	10	6
Total derivatives held for trading		11	4	10	6
2) Hedging derivatives					
a) <i>Cash flow hedges</i>					
Interest rate swaps	25.000	-	-	696	-
Total hedging derivatives		-	-	696	-
Total recognised derivatives		11	4	706	6
		2007			
		Thousands of Euros			
Notional amount		Fair values			
		Assets		Liabilities	
		Non-current	Current	Non-current	Current
Derivatives held for trading					
a) <i>Exchange-rate derivatives</i>					
Foreign currency forwards	1,437	-	-	-	72
Options traded in OTC markets	1,437	-	-	-	24
Total derivatives traded in OTC markets		-	-	-	96
b) <i>Interest-rate derivatives</i>					
Interest rate swaps	65,414	86	-	245	-
Interest-rate and currency swaps		-	-	-	-
Interest-rate options in OTC markets	5,990	5	-	-	-
Total derivatives traded in OTC markets		91	-	245	-
Total derivatives held for trading		91	-	245	96

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The total change in estimated fair value using measurement techniques recognised in equity has been Euros 696 thousand.

a) Interest rate swaps

The Company uses derivative interest rate swaps instruments for floating to fixed rates with or without deactivating barriers, with fixed rate values ranging between 2.37% and 4.67% and with barrier intervals between 4-5.75%, to manage interest rate fluctuation exposure, mainly relating to its bank loans. The inception and maturity dates of derivatives at 31 December 2008 are as follows:

Derivatives held for trading			
Notional amount in thousands of Euros	Start date	End date	Type of derivative
1,354	24/11/2004	24/11/2009	Knock-in Knock-out
4,493	21/11/2006	21/11/2011	Cap option
2,920	11/11/2005	11/11/2010	Barrier swap
<u>8,767</u>			

Hedging derivatives			
Notional amount in thousands of Euros	Start date	End date	Type of derivative
7,500	15/05/2008	31/03/2010	Fixed-rate swap
7,500	15/05/2008	31/03/2010	Fixed-rate swap
5,000	15/05/2008	31/03/2010	Fixed-rate swap
5,000	15/05/2008	31/03/2010	Fixed-rate swap
<u>25,000</u>			

The Company does not apply hedge accounting on these contracts due to the difficulty in testing effectiveness in accordance with the standard. Therefore, although these contracts hedge the Company's exposure to interest rate fluctuations, most of them are recognised as though they are held for trading.

A breakdown by notional amount and residual maturity term of swaps existing at consolidated balance sheet date is as follows:

	Thousands of Euros	
	2008	2007
Up to one year	1,354	-
Between one and five years	7,413	71,404
More than five years	-	-
	<u>8,767</u>	<u>71,404</u>

Because they are derivatives which cannot be traded on organised markets, the fair value of swaps is calculated using the revised value of the expected cash flows due to the difference in rates, based on market conditions at the measurement date.

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b) Foreign currency forward contracts

In order to manage its exchange rate exposure in forward outright sale and purchase contracts, the Fluidra Group, through the Company, has entered into purchase and sale forward contracts on the main markets in which it operates. Nevertheless, although these derivative hedge transactions in foreign currency, the Company does not apply hedge accounting due to the difficulty in testing effectiveness as required by the standard.

A breakdown by type of currency, of the notional amounts of forward contracts at 31 December 2008 and 2007, the residual values of which are of less than one year, is as follows:

	Thousand of Euros	
	2008	2007
USD	1,821	2,874
	<u>1,821</u>	<u>2,874</u>

12. Payables to Group Companies and Associates

Details of this balance sheet caption are as follows:

	Thousands of Euros	
	Balances at 31/12/2008	Balances at 31/12/2007
Payables to group companies	5	-
Payables to Group companies with which the Company files consolidated income tax returns	3,800	6,341
Payables to Group companies with which the Company files consolidated VAT returns	2,613	-
Payables to Group companies for cash pooling	<u>11,879</u>	<u>9,806</u>
	<u>18,297</u>	<u>16,147</u>

In conjunction with certain group companies, the Company files consolidated tax returns, with Fluidra, S.A. being the Parent of this tax consolidated group and responsible for filing the corresponding tax returns with the Spanish taxation authorities (see note 20).

Details by company of receivables and payables between the different group companies subject to this tax consolidation regime are recognised under Receivables and payables with consolidated tax group companies.

Additionally, in conjunction with the certain group companies, the Company files consolidated VAT returns, with Fluidra, S.A. being the Parent of this tax consolidated group and responsible for filing the corresponding tax returns with the Spanish taxation authorities.

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Details by company of payables between group companies as a result of the tax effect generated by the consolidated tax regime for income tax and VAT are as follows:

	Thousands of Euros Balances at 31/12/2008
Payables	
Inquide, S.A.U.	1,326
Metalast, S.A.U.	907
Snte agua group, S.A.	698
Mercamaster group S.L.U.	513
Cepex Holding, S.A.	293
Meip international, S.L.	280
Other	2,396
	<u>6,413</u>

	Thousands of Euros Balances at 31/12/2007
Payables	
Astral Pool, S.A.	1,371
Neokem grup, S.A.	1,447
Snte agua group, S.A.	1,260
Cepex Holding, S.A.	931
Inquide-flix, S.A.	224
Other	1,108
	<u>6,341</u>

The Group is also the head of the group's centralised credit facilities for cash pooling, reflecting the total debt under loans and borrowings. Receivables from and payables to the different Group companies forming part of the cash pooling accounts are recognised under payables to/receivables from Group companies due to cash pooling.

Payables due to cash pooling include a US dollar balance outstanding at 31 December 2008 amounting to Euros 747 thousand.

13. Trade and Other Payables

Details of this balance sheet caption are as follows:

	Thousands of Euros	
	Balances at 31/12/2008	Balances at 31/12/2007
Payables	171	5,924
Payables to group companies	-	294
Public entities	282	1,261
Salaries payable	40	-
Other payables	96	-
	<u>589</u>	<u>7,479</u>

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14. Risk management policy

The Company's activities are exposed to various financial risks: market risk (including interest rate risk in fair value and price risk), credit risk, liquidity risk, currency risk and interest rate risk in cash flows. The Company's risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Company's profits. The Company uses derivatives to mitigate certain risks.

Market, liquidity, currency and interest rate risks are controlled by the Group's central Treasury Department in accordance with policies defined by the Group. This Department identifies, evaluates and covers the financial risks in close collaboration with the operating units of the Group.

Credit risk is managed on a decentralised basis by the Company, in accordance with the parameters established by Group policies.

a) Credit risk

The Company is not significantly exposed to credit risk. Derivative and cash operations are only performed with financial institutions that have high credit ratings. The Company has policies to limit the amount of risk with any one financial institution.

At 31 December 2008 and 2007 there are no past due balances.

b) Liquidity risk

The Company applies a prudent policy to cover its liquidity risks based on having sufficient cash and marketable securities as well as sufficient financing through credit facilities to settle market positions. Given the dynamic nature of its underlying business, the Group's Treasury Department aims to be flexible with regard to financing through drawdowns on contracted credit facilities.

Details of the classification of financial liabilities by contractual maturity are provided in note 10.

Based on treasury forecasts, the Company does not foresee any liquidity problems in forthcoming months.

c) Currency risk

The Company does not have any significant currency risks.

The currency risk arises from recognised assets and liabilities. Details of financial assets and financial liabilities in foreign currencies and transactions in foreign currencies are provided in notes 8, 10 and 12.

d) Interest rate risk in cash flows

As the Company does not have a considerable amount of remunerated assets, income and cash flows from operating activities are not significantly affected by fluctuations in market interest rates.

Interest rate risks arise from other long-term borrowings. Borrowings, all at variable interest rates expose the Company to interest rate risks in cash flows. Fixed-interest loans expose the Company to interest rate risks to fair value. As indicated in note 10, the Company's main loans are associated with market interest rates which are updated on a quarterly, half-yearly or yearly basis.

The Company manages interest rate risks in cash flows through floating to fixed interest rate swaps with barriers. These interest rate swaps convert floating interest rates on borrowings to fixed interest rates. Generally, the Company obtains other non-current borrowings with floating interest rates and swaps these for fixed interest rates. These are generally at lower rates than those which would have been obtained had the Group obtained the resources directly with fixed interest rates. Through interest rate swaps, the Company undertakes to exchange the difference between fixed interest and floating interest with other parties periodically (generally quarterly). The difference is calculated based on the contracted notional principal. The Company's policy is to contract interest rate hedging instruments for loans exceeding Euros 1 million.

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Although the majority of swaps contracted by the Company hedge interest rate risks in cash flows, they do not comply with the requirements established in the NPGC for hedge accounting purposes. Consequently, the variation in the fair value of swaps at each balance sheet date is recognised in profit and loss for the year. Swaps complying with hedge accounting requirements are recognised as income and expense in equity.

e) Market risk

Apart from the swaps contracted by the Company, as mentioned in the section above, there are no significant price risks relating to equity instruments classified as available-for-sale or at fair value through profit and loss.

15. Revenue

Revenue fully comprises dividends collected from Group companies.

16. Personnel Expenses

Details of personnel expenses for 2008 and 2007 are as follows:

	2008	2007
	Thousands of Euros	Thousands of Euros
Wages, salaries and indemnities	250	578
Employee benefits expense	8	11
	<u>258</u>	<u>589</u>

The average headcount, all of which is male, distributed by category, is as follows:

	Average headcount
Directors (including one senior executive)	9
	<u>9</u>

17. Transactions with related parties

The most significant transactions with group companies and associates are as follows:

	Thousands of Euros	
	2008	2007
<u>Income</u>		
Dividends	10,170	17,142
Services rendered	-	1,204
Interest income	141	-
	<u>10,311</u>	<u>18,346</u>
<u>Expenses</u>		
Services received	7	939

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During 2008 the Company acquired a 22% interest in Swimco Corp. SLU from its affiliate Auric Pool SAU for an amount of Euros 5,671 thousand (see note 6).

In conjunction with certain group companies, the Company files consolidated tax returns, with Fluidra, S.A. being the Parent of this tax consolidated group and responsible for filing the corresponding tax returns with the Spanish taxation authorities (see note 20).

Additionally, in conjunction with the certain group companies, the Company files consolidated VAT returns, with Fluidra, S.A. being the Parent of this tax consolidated group and responsible for filing the corresponding tax returns with the Spanish taxation authorities (see note 12).

The Group is also the head of the group's centralised credit facilities for cash pooling, reflecting the total debt under loans and borrowings. Receivables from and payables to the different Group companies forming part of the cash pooling accounts are recognised under payables to/receivables from Group companies due to cash pooling (see note 12).

Finally, during 2007 the Company invoiced certain shareholders Euros 1,921 thousand in relation to the flotation on the stock exchange.

Details of dividends received are as follows:

	Thousands of Euros	
	2008	2007
<u>Auric Pool, S.A.</u>	5,579	3,737
Astral Pool, S.A.	4,265	10,402
Cepex Holding, S.A.	133	1,923
European Corner, S.A.	-	1,080
Accent Graphic, S.L.	108	
Swimco Corp., S.L.	85	-
	<u>10,170</u>	<u>17,142</u>

18. Information on Directors

a) Remuneration of and Balances with the Directors

The members of the Company's board of directors have received a total of Euros 849 thousand in 2008 (Euros 836 thousand in 2007), respectively, from the companies in which they are directors. In addition, they have received a total of Euros 250 thousand for executive functions in 2008 (Euros 667 thousand in 2007). They have also received payments for travel expenses amounting to Euros 98 thousand (Euros 23 thousand in 2007).

The Company has a pension commitment with a senior executive consisting of complementary income in the event of permanent disability whilst employed by the Company. This commitment has been externalised through a life insurance policy, for which the Company has recognised an expense of Euros 1,686 during 2008.

Apart from the above, the Company has not extended any advances or loans and holds no guarantees on their behalf. The Company does not have any pension or life insurance obligations regarding former or current directors, excluding the Managing Director).

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b) Transactions outside ordinary trading or under non-market conditions carried out by directors

The directors have not carried out any transactions outside ordinary trading or under non-market conditions with the Company or with Group companies during 2007 and 2008.

19. Issues Arising from the Transition to the New Spanish General Chart of Accounts

A reconciliation of consolidated equity balances at 1 January 2007, the NPGC (General Chart of Accounts enacted by Royal Decree 1514/2007) transition date, and at 31 December is provided below, as well as the reconciliation of profit for 2007, applying adjustments for changes in the measurement criteria and accounting policies under the new legislation.

A reconciliation of equity under the PGCA (former Spanish Chart of Accounts enacted by Royal Decree 1643/1990) and equity under the NPGC at 1 January and 31 December 2007 is as follows:

	Thousands of Euros	
	01/01/2007	31/12/2007
Equity as per annual accounts under PGCA	259,599	260,432
Adjustments to equity on conversion to NPGC	548	560
Exchange gains	60	146
Financial assets at fair value through profit and loss	33	(250)
Adjustment of establishment costs	(12)	
Adjustment to provision for treasury shares	729	2,152
Recognition of treasury shares as a reduction in equity		(819)
Tax effect of adjustments made	(262)	(669)
Equity as per financial statements under NPGC	<u>260,147</u>	<u>260,992</u>

A reconciliation of consolidated profit under the PGCA with the income statement under the NPGC for 2007 is as follows:

	Thousands of Euros (net of tax effect) 31/12/2007
Profit attributable to Parent as per annual accounts under PGCA	11,833
Exchange gains	86
Financial assets at fair value through profit and loss	(283)
Gains on operations with treasury shares	376
Adjustment of establishment costs	12
Adjustment to provision for treasury shares	1,423
Tax effect of adjustments	(525)
Profit attributable to the Parent as per NPGC	<u>12,922</u>

The most significant differences in equity at 1 January 2007 and 31 December 2007 and profit for 2007 as a result of applying the NPGC are as follows

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i) Unrealised exchange gains/losses

According to the Standard on Recognition and Measurement 11, all exchange differences generated by these balances are recognised in the income statement.

ii) Fair value recognition of financial derivatives

In accordance with the Standard on Recognition and Measurement 9, financial derivatives have been included in the transition balance sheet at fair value. As of this date, any variations in fair value are recognised under profit or loss, except for derivatives which comply with conditions for hedging accounting, changes of which in fair value are recognised in equity.

iii) Adjustment to provisions for treasury shares

Adjusted in accordance with the section referring to impairment investments in group companies and associates in the Standard on Recognition and Measurement 9.

iv) Treasury shares

In accordance with the NPGC, treasury shares must be recognised as a reduction in equity. Proceeds from the sale of these treasury shares are not recognised in the income statement.

20. Income tax

Income taxes cannot be considered definitive until they have been inspected and agreed by the tax authorities or before the inspection period of four years has elapsed. Due to the treatment permitted by fiscal legislation of certain transactions among others, additional tax contingencies could exist in the event of inspection. In any event, the Company's directors do not consider that any such contingencies that could arise would significantly affect the annual accounts.

During 2007 the Company filed consolidated tax returns, with Fluidra, S.A. being the Parent of this tax consolidated group and responsible for filing the corresponding tax returns with the Spanish taxation authorities. Non-resident companies in Spain and resident companies which file individual tax returns such as Meip Internacional, S.L., Maber Plast, S.L., Togama, S.A., Productes Elastòmers, S.A., Comercial de Exclusivas Internacionales Blage, S.A., Waterchem, S.L., ID Electroquímica, S.L., Master Riego, S.A. and ATH – Aplicaciones Técnicas Hidráulicas, S.L. and companies adhering to Basque tax legislation. Profit calculated in accordance with prevailing fiscal legislation in Spain is subject to a tax rate of 32.5% of the taxable income for companies located in Spain (excluding Basque Country).

During 2007 the Company files consolidated tax returns, with Fluidra, S.A. being the Parent of this tax consolidated group and responsible for filing the corresponding tax returns with the Spanish taxation authorities. Non-resident companies in Spain and resident companies which file individual tax returns such as Meip Internacional, S.L., Maber Plast, S.L., Togama, S.A., Productes Elastòmers, S.A., Waterchem, S.L., ID Electroquímica, S.L., Calderería Plástica del Norte, S.L., Industrias Mecánicas Lago, S.A. and Certikin Pool Ibérica, S.L. and companies adhering to Basque tax legislation are excluded from the tax consolidated group. Profit calculated in accordance with prevailing fiscal legislation in Spain is subject to a tax rate of 30% of the taxable income for companies located in Spain (excluding Basque Country).

In accordance with Personal Income Tax Law 35 of 28 November 2006, partially modifying the income tax, non-resident and wealth tax laws, the income tax rate for Spanish companies has been changed. In accordance with this new legislation, the tax rate will be 32.5% for years commencing after 1 January 2007 and 30% for years commencing after 1 January 2008.

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A reconciliation between the net income and expenses for the year and the taxable income of the Company at 31 December 2008 and 2007 is as follows:

Thousands of Euros							
2008							
	Income statement			Income and expenses recognised in equity			Total
	Increases	Decreases	Net	Increases	Decreases	Net	
Income and expenses for the year	8	-	8	-	(488)	(488)	(7)
Income tax	-	(1)	(1)	-	(208)	(208)	(1)
Profit/(loss) before income tax			6			(696)	6
Permanent differences - individual co.	-	(10)	(10)	-	-	-	(10)
Temporary differences - individual co.	946	(250)	696	696	-	696	696
Temporary differences tax consolidation	5	(8)	(3)	-	-	-	(3)
Taxable income (tax loss)			<u>(6)</u>			<u>-</u>	<u>(6)</u>

Thousands of Euros							
2007							
	Income statement			Income and expenses recognised in equity			Total
	Increases	Decreases	Net	Increases	Decreases	Net	
Income and expenses for the year	13	-	13	-	-	-	13
Income tax	-	(2)	(2)	-	-	-	(2)
Profit/(loss) before income tax			11			-	11
Permanent differences - individual co.	-	(17)	(17)	-	-	-	(17)
Temporary differences - individual co.	595	(248)	347	-	-	-	347
Temporary differences tax consolidation	8	(5)	4	-	-	-	4
Taxable income (tax loss)			<u>(3)</u>			<u>-</u>	<u>(3)</u>

Permanent differences relate to the elimination of dividends received by the Company.

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Details of deferred tax assets and liabilities, by type, are as follows:

	Thousands of Euros					
	Assets		Liabilities		Net	
	2008	2007	2008	2007	2008	2007
Deferred gains	-	-	2,755	1,365	(2,755)	(1,365)
Exchange differences	-	-	-	45	-	(45)
Inventories	-	-	1,258	1,380	(1,258)	(1,380)
Provision for investments	1,853	2,007	-	-	1,853	2,007
Other items	209	-	-	(76)	209	76
	<u>2,062</u>	<u>2,007</u>	<u>4,013</u>	<u>2,714</u>	<u>(1,951)</u>	<u>(707)</u>

Details of the variation in deferred tax assets and liabilities, by type, are as follows:

	Thousands of Euros					
	31.12.2006	Profit and loss	Exchange-rate effect on P&L	Equity	Business combinations	Other
Deferred gains	(7,790)	-	-	-	-	6,425
Exchange differences	(20)	(27)	2	-	-	-
Inventories	(25)	(654)	-	-	-	(701)
Establishment costs	5	(5)	-	-	-	-
Provision for investments	-	1,979	-	-	-	28
Other items	(28)	(37)	(6)	-	-	147
Total	<u>(7,858)</u>	<u>1,256</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>5,899</u>

	Thousands of Euros					
	31.12.2007	Profit and loss	Exchange-rate effect on P&L	Equity	Business combinations	Other
Deferred gains	(1,365)	(1,218)	-	-	-	(172)
Exchange differences	(45)	44	-	-	-	1
Inventories	(1,380)	23	-	-	-	99
Provision for investments	2,007	550	-	-	-	(704)
Other items	76	(75)	-	209	-	(1)
Total	<u>(707)</u>	<u>(676)</u>	<u>-</u>	<u>209</u>	<u>-</u>	<u>(777)</u>

On 30 March 2006 the Company increased capital through a non-monetary contribution of shares, adhering to the special tax regime included in title VII, chapter VIII of Royal Decree-Law 4 of 5 March 2004, approving the Modified Text of Spanish Income Tax Law.

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Initially, the shareholders contributing shares in the aforementioned transaction adhered to this tax exemption, therefore transferring the commitment with the taxation authorities for the corresponding deferred tax liability, which amounts to Euros 7,790 thousand, to the Parent. Nevertheless, on 31 March 2006 these shareholders signed a commitment to reimburse the Parent for the total amount of this exemption, which will be required in the event that the associated shares are sold by the Parent or the corresponding tax is directly settled by the contributing shareholders should they sell all or part of the shares received in exchange for this contribution. Consequently, at 31 December 2006 the Company recognised a non-current deferred tax liability and a non-current receivable, both for the aforementioned amount. Should the Company generate a receivable from the contributing shareholders, the amount payable by the contributing shareholders will be set off by future dividends to be distributed by the Company. As a result of the disposal of shares by the shareholders on 31 October 2007 in relation to floating the Company on the stock market, this non-current deferred tax liability and the non-current receivable have been reduced by Euros 1,365 thousand.

Items charged and credited directly to equity for the year relate to available-for-sale financial assets and hedging instruments and amount to Euros 209 thousand in 2008 and Euros 16 thousand in 2007.

Deferred tax assets and liabilities expected to revert in the next 12 months amount to Euros 1,258 thousand and Euros 2,062 thousand, respectively. (1,349 y 2,008 thousand of euros in 2007).

Details of the income tax expense are as follows:

	Thousands of Euros	
	2008	2007
Current tax expense		
Current year	(1,800)	(887)
Tax credits	-	-
Prior year adjustments	37	(236)
Deferred taxes		
Origination and reversal of temporary differences	676	(1,256)
Effect of change in tax rate in Spain	-	4
Total income tax expense	<u>(1,087)</u>	<u>(2,375)</u>

A reconciliation of the current tax expense with net current income tax liabilities is as follows:

	Thousands of Euros	
	2008	2007
Current tax expense	(1,800)	(887)
Withholdings and payments on account during the year	1,145	29
Additional liabilities from group companies consolidated for tax purposes	810	1,849
Tax payable 2007	(167)	-
Net liability from current income tax	<u>(12)</u>	<u>991</u>

The Company has not adhered to the option of integrating the net balance of adjustments to transition reserves for equal amounts into the taxable income corresponding to each of the first three tax periods starting as of 1 January 2008 or previously if the balance of any equity item is derecognised or due to extinguishment of the taxable entity and with the exceptions foreseen for the charging of provisions for decline in value of investments in the capital of other entities and exchange gains.

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Details of income and expenses charged to transition reserves integrated into the taxable income for the year ended 31 December 2008 are as follows:

	Thousands of Euros		
	Opening balance	Amounts integrated into taxable income for 2008	Amount due
Effect of changes in recognition and measurement criteria:			
Measurement of financial instruments at fair value	250	(250)	-
Derecognition of exchange gains	(146)	146	-
Total	104	(104)	-

The relationship between income tax expense and profit on continuing operations is as follows:

	Thousands of Euros	
	2008	2007
Profit before income tax on continuing operations	6,427	10,547
Profit at 30%	1,928	
Tax at 32.5%		3,428
Permanent differences	(3,052)	(5,571)
Offset of loss carryforwards not recognised in prior years	-	-
Differences in prior years' income tax expense	37	(2,376)
Tax credits	-	-
Effect of change in tax rate in Spain	-	4
Income tax expense	(1,087)	(2,375)

At 31 December 2008 there are no deductions or tax loss carryforwards pending offset. The years open to inspection are as follows:

Tax	Years open
Income tax	2004 to 2008
VAT	2005 to 2008
Personal income tax	2005 to 2008
Business activities tax	2005 to 2008

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21. Fees of the Auditor and the Auditor's Group and Related Companies

KPMG Auditores, S.L. and other companies related to the auditors as defined in the fourteenth additional provision of legislation governing the reform of the financial system, have invoiced the Company and its subsidiaries, associates and joint ventures, net fees for professional services during the year ended 31 December 2008, as follows:

	<u>Euros</u>
Audit services	1,278,055
Other services	<u>88, 484</u>
Total	<u>1,366, 539</u>

The amounts detailed in the above table include the total professional service fees for 2008, irrespective of the date of invoice.

22. Environment

At 31 December 2007 and 2008 the Company has not assets for protecting or improving the environment and it has not incurred any environment-related expenses during these years.

The Company's board of directors considers that there are no significant contingencies relating to the protection and improvement of the environment and does not consider it necessary to make any provision for liabilities and charges of an environmental nature at year end.

23. Subsequent events

As part of the Group's reorganisation, on 19 January 2009 the Company sold its interest in ADBE Cartera, S.A.U to the group company Astral Pool, S.A. and no gains or losses arose from this transaction.

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Overview of business performance

During 2008, the Company has generated a lower amount of revenue than in the previous year (Euros 10,170 thousand compared to Euros 20,268 thousand in the previous year), primarily because of a Euros 6,972 thousand reduction in dividends distributed by its subsidiaries.

In addition, Euros 1,921 thousand under prior year's operating income was directly related with the stock market flotation and therefore, has not been repeated in 2008.

Operating expenses in the previous year were atypical, with Euros 5.1 million being recognised under other operating expenses arising from the stock market flotation.

As a result of this two-fold effect, profit has fallen from Euros 12,922 thousand at 31 December 2007 to Euros 7,513 thousand at 31 December 2008.

With regard to the balance sheet, the acquisition of 22% of Swimco as part of the reorganisation of investments in Group companies is noteworthy, along with the share capital increases, mentioned in the notes to the annual accounts, in the affiliates Neokem Group SAU and Fluidra Services SLU.

The increase in loans and borrowings should also be mentioned which result from the Group drawing down on the centralised credit facilities for cash pooling. This effect is offset by the increase in receivables from the Group companies adhering to the cash-pooling system. Non-current payables remain stable, the repayment of which is being offset by new loans maturing in 2011, thereby assuring the Company's financing in the medium term.

At an ordinary general meeting held on 30 May 2008 the shareholders agreed to distribute a dividend amounting to Euros 10,136 thousand.

Overview of risk policy

The Company's risk management policy continues to be followed during 2008 and involves the same policies for hedging (currency and interest rate) risk as those applied in 2007.

Treasury shares

During 2008 the Company has carried out several purchase transactions (1,993,511 shares) involving treasury shares, within the legally established limits and having duly notified the Spanish National Securities Market Commission. At year end the Company held 2,132,433 treasury shares, representing 1.89% of its share capital and with a total cost of Euros 8,409 thousand.

Research, development and innovation

None.

Environment

At 31 December 2008 the Company has no significant assets earmarked for the protection and improvement of the environment and no significant environmental expenses have been incurred during the year.

Personnel

The headcount has remained unchanged since 31 December 2007.

Subsequent events

As part of the Group's reorganisation, on 19 January 2009 the Company sold its interest in ADBE Cartera, S.A.U to the group company Astral Pool, S.A. and no gains or losses arose from this transaction.

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In accordance with Article 116 of the Spanish Securities Market Law 24 of 28 July 1988, introduced by Law 6 of 12 April 2007, Fluidra, S.A.'s board of directors hereby issues this explanatory report on those aspects of the directors' report that are considered in this law for the purposes of informing the Company's shareholders in their annual general meeting.

a) The capital structure, including any securities that are not traded on official European Union markets, indicating where necessary, the different classes of shares and for each class of share, the rights and obligations they confer and the percentage of share capital they represent.

At 31 December 2008 the share capital of Fluidra, S.A. (hereinafter Fluidra) amounts to Euros 112,629,070, represented by 112,629,070 ordinary shares of a single class and series, with a par value of Euro 1 each, fully subscribed and paid up, which confer the holders thereof the same rights.

b) Any restrictions on the transfer of shares

No statutory restrictions on the transfer of shares exist.

Article 6 of the articles of association establishes that shares are represented by book entries. Shares can be transferred by any means recognised by Law according to their nature and in accordance with legislation on the transfer of securities, and represented by book entries.

Nonetheless, Article 81.2 of the Spanish Securities Market Law and Article 4 of the Internal Code of Conduct establish that individuals holding any form of privileged information must abstain from preparing or performing directly or indirectly on their own behalf or that of others, any operations involving any of the Company's marketable securities and financial instruments. Likewise, individuals subject to Fluidra's Internal Code of Conduct must abstain from purchasing or selling the Company's marketable securities or financial instruments during the following periods of restricted activity:

- (i) During the 15 days prior to the estimated date of publication of weekly, quarterly and annual reports on results which the Company has to send to the Spanish National Securities Market Commission and the Spanish Stock Exchange Councils, until the date of general publication.
- (ii) From the moment they obtain information on proposals of dividend distributions, share capital increases or reductions, or the issue of convertible securities of the Company until the date of general publication.
- (iii) From the moment they obtain any other relevant information (as defined in the Company's Internal Code of Conduct) until it is divulged or made public knowledge.

In accordance with the terms of article 5.3 of the Internal Code of Conduct, marketable securities and financial instruments may not be sold by individuals subject to Fluidra's Internal Code of Conduct on the same day on which the purchase operation has been carried out.

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c) Significant direct or indirect shareholdings

Significant interests in Fluidra's share capital which are equal to or exceed 3% of share capital or voting rights and of which the Company has been informed at 31 December 2008 are as follows:

Name or company name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	Voting rights as percentage of total
BOYSER, S.R.L	15,905,405	0	14.122
Mr Juan Serra Aragonés	0	15,905,405	14.122
Mr Bernat Corbera BROS	99,213	15,204,914	13.588
EDREM, S.L.	15,204,914	0	13.500
DISPUR, S.A	13,572,929	0	12.051
ANIOL, S.L.	9,578,143	0	8.504
Mr Robert Garrigós Ruiz	0	9,578,143	8.504
CAJA DE AHORROS Y M. PIEDAD DE NAVARRA	0	5,631,454	5.000
GRUPO CORPORATIVO EMPRESARIAL DE LA CAJA DE AHORROS Y M. PIEDAD DE NAVARRA	5,631,454	0	5.000
BESTINVER GESTIÓN SA SGIIC	0	5,633,267	5.002
AVIVA INTERNATIONAL, HOLDING LIMITED (AIHL)	0	3,382,008	3.003

*Through:

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Name or company name of direct shareholder	Through: Name or company name of direct shareholder	Number of direct voting rights	% of total voting rights
Mr Juan Serra Aragonés	BOYSER, S.L.	15,905,405	14.122
Mr Bernat Corbera BROS	EDREM, S.L.	15,204,914	13.500
Mr Robert Garrigós Ruiz	ANIOL, S.L.	9,578,143	8.504
CAJA DE AHORROS Y MONTE DE PIEDAD DE NAVARRA	GRUPO CORPORATIVO EMPRESARIAL DE LA CAJA DE AHORROS Y M. PIEDAD DE NAVARRA	5,631,454	5.000

d) Restrictions to voting rights

There are no legal or statutory restrictions to the exercising of voting rights.

e) Associative arrangements

Fluidra is aware of the existence of an associative arrangement entered into on 5 September 2007 by the Company's main shareholders (Dispur, S.L., Aniol S.L., Boyser, S.L., Edrem S.L. and Bansabadell Inversió Desenvolupament, S.A.U.) to jointly define their control over Fluidra, both in terms of their voting rights and the right to internally syndicate certain share transfers. The associative arrangement has a maximum duration of 7 years from the listing of Fluidra shares, although the provisions for vote syndication have a duration of 4 years from the aforementioned date.

The most noteworthy terms of this associative arrangement are as follows:

(i) Vote syndication: the signatories of the arrangement undertake to exercise their voting rights at Fluidra's annual general meetings as agreed by the syndicate's body appointed in the contract, known as the assembly.

The adoption of agreements by the assembly requires a favourable vote from syndicated shareholders representing 50% or more of the aforementioned syndicated shareholders' total voting rights. Notwithstanding the above, certain agreements require a reinforced majority (70%) or a unanimous vote (qualified majority).

The agreements requiring a reinforced majority (favourable vote of at least 70% of the voting rights of syndicated shares) include, inter alia, the following: (i) modification of the Company's articles of association which include an increase or reduction of share capital - excluding those which require a qualified majority as outlined in the following paragraph -, the creation of shares with no voting rights, modifications to the par value of shares, replacement or modification of the statutory activity, etc; (ii) changes to the administration system or its number of members, appointments, dismissals or composition; (iii) the issue of bonds or any other debt instruments or securities that may be converted into shares; (iv) establishment of share option plans for Fluidra board members or employees; and (v) the authorisation of operations with treasury shares, to a maximum of 2%.

The following arrangements require a qualified majority (ie, the unanimous vote of the syndicated shareholders), (i) modification of articles of association which requires a capital increase of an amount exceeding 10% of Fluidra's capital at the date immediately preceding the date of the increase; (ii) transformation, merger, spin-off, etc.; (iii) exclusion of Fluidra shares from listing on the stock exchange; and (iv) authorisation of Fluidra treasury share operations exceeding 2%.

(ii) Limitations to the transfer of shares: the associative arrangement prohibits the signatories from selling or transferring shares subject to the arrangement for a period of 4 years from the date of Fluidra's flotation on

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the stock exchange. There are certain exceptions to this limitation.

Once the aforementioned 4 year period has elapsed and for the remaining term of the arrangement, the non-transferring syndicated shareholders have a preferential acquisition right in the case of transfer of shares subject to the arrangement.

(iii) Composition of governing bodies: the arrangement establishes a regulation relating to the number of members and the composition of certain governing bodies of Fluidra.

(iv) Anti-trust: the arrangement establishes an anti-trust clause for the syndicated shareholders whereby the shareholders agree not to compete against Fluidra during a period of 4 years from the date of Fluidra's flotation on the stock exchange, except in the case of prior written consent from Fluidra.

f) Regulations applicable to the appointment and replacement of members of the Board of Directors and modification of the articles of association.

• • Appointment and resignation of members of the board of directors

The members of the administrative body are appointed by the shareholders at a General Meeting or provisionally appointed by the Board of Directors in accordance with the provisions of the Spanish Companies Act and the Company's articles of association.

Article 17.1 of the Regulations of the Company's Board of Directors establishes that directors should be appointed (i) at the request of the Appointments and Remuneration Committee, in the case of independent directors, and (ii) subsequent to notifying the Appointments and Remuneration Committee in the case of the other directors, by the shareholders at the annual general meeting or the Board of Directors in accordance with the provisions of the Spanish Companies Act.

For external directors, Article 18 of the Regulations of the Company's Board of Directors stipulates that the Board of Directors should ensure that the candidates elected are individuals of known solvency, competence and experience, and should take strict measures in relation to covering the positions of independent directors set out in Article 6 of the aforementioned Regulations.

The directors may not occupy this position for more than six years, and may be reelected once or twice for periods of equal duration.

Article 19 of the Regulations of the Board of Directors establishes that, before proposing the reelection of directors at the annual general meeting, the Board of Directors should assess, with the abstention of the individuals in question, the quality of the work and the dedication to the position of the proposed directors during the preceding term of office.

Article 21.1 of the Company's Board Regulations states that the directors will cease from their position when the period for which they were appointed has elapsed and when decided by the shareholders' at a General Meeting using their powers conferred for legal and statutory purposes.

In accordance with article 21.2 of the Board of Directors Regulations, the directors must render their position available to the Board of Directors and formalise, where appropriate, their resignation in the following cases: a) when they cease to occupy the executive posts associated with their appointment as director; b) when they qualify for any of the legally established assumptions of incompatibility or prohibition; c) when they have been seriously reprimanded by the Board of Directors due to having breached their obligations as directors; d) when their permanence on the Board could pose a risk to or

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jeopardise the Company's interests, standing or reputation or when the reasons for their appointment no longer exist; e) independent directors may not remain as such for a continuous period of more than 12 years. Once this period has elapsed they must render their position available to the Board of Directors and formalise their resignation; f) In the case of directors representing shareholders ("Directors dominicales") (i) when the shareholder represented sells all of its shares and also (ii) for the corresponding number, when the shareholder lowers its shareholding to a level requiring a reduction in the number of directors representing shareholders.

Article 21.3 of the Board of Directors' Regulations stipulates that if, as a result of resignation or any other reason, directors have to leave their posts prior to the end of their term of office, the reasons must be explained in a letter sent to all members of the Board.

The Board of Directors can only propose the resignation of an independent director prior to the end of the statutory period when there is true cause, confirmed by the Board, and subsequent to informing the Appointments and Remuneration Committee. True cause is understood to exist when the director has breached the duties inherent to the post or has unexpectedly caused any of the preventive circumstances described in the definition of an independent director outlined in the prevailing good corporate governance recommendations.

- Modification to articles of association

In accordance with article 5 of the Company's General Shareholders' Meeting Regulations, any modification to the articles of association must be agreed, inter alia, by the shareholders at a General Meeting.

g) Powers of the members of the Board of Directors and, in particular, those relating to the possibility of issuing or repurchasing shares

The director Mr Eloy Planes Corts has been given the same powers conferred to the Board of Directors in the articles of association, except for those which cannot be delegated by law.

At an ordinary general meeting held on 30 May 2008 the shareholders authorised the board of directors, in accordance with articles 75 and thereafter of the Spanish Companies Act, to directly or indirectly acquire treasury shares, rendering ineffective the authorisations given by the shareholders in their meeting held on 5 September 2007 and also authorised it to apply treasury shares, where applicable, to execute or cover employee benefit systems.

At a meeting held on 28 August 2008 the Board of Directors unanimously agreed to authorise the Managing Director, Mr Eloy Planes Corts, to proceed with the acquisition of the Company's treasury shares up to a maximum number of shares which does not exceed 2% of the Company's capital. This authorisation will be valid until 31 December 2009.

At a meeting held on 16 December 2008 the Board of Directors agreed unanimously to extend this authorisation to the Managing Director to acquire treasury shares up to a limit of 3% of share capital.

h) Significant agreements made by the Company and which enter into force, are modified or concluded in the event of a change in control of the Company due to a public share offering and its effects, except when disclosure could be seriously detrimental to the Company. This exception shall not be applicable when the Company is legally under the obligation to publish this information.

The Company does not have any agreements which enter into force, are modified or are concluded as a result of a public share offering.

Agreements between the Company and its management and directors who receive indemnities when they resign or are dismissed unfairly or if the labour relationship is terminated due to a public share offering.

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Except for the Managing Director, the Company does not have any agreements other than those set out in the Workers' Statute or in the Senior Management Decree 1382/1985 which provide indemnities upon resignation, unfair dismissal or if the labour relationship is terminated due to a takeover bid.

In the case of the Managing Director and General Managers, higher indemnities than those applicable in accordance with the aforementioned legislation have been recognised in the case of unfair dismissal.

A. OWNERSHIP STRUCTURE

A.1 Complete the following table on the company's share capital.

Last update	Share capital (€)	Number of shares	Number of voting rights
30.3.2006	112,629,070.00	112,629,070.00	112,629,070

There is only one class of share and, therefore, none of the shares have additional rights.

A.2 Specify the direct and indirect holders of significant shares in your company at the closing date of the financial year, excluding the Directors:

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights.*	% over the total voting rights
BOYSER S.R.L	15.905.405	0	14,122
Juan Serra Aragonés	0	15.905.405	14,122
Bernat Corbera Bros	99.213	15.204.914	13,588
EDREM S.L	15.204.914	0	13,500
DISPUR S.L	13.572	0	12,051
ANIOL S.L	9.578.143	0	8,504
Robert Garrigós Ruiz	0	9.578.143	8,504
BESTINVER GESTION SA SGIIC	0	5.633.267	5,002
CAJA DE AHORROS Y MPIEDAD DE NAVARRA	0	5.631.454	5,000
GRUPO CORPORATIVO EMPRESARIAL DE LA CAJA DE AHORROS Y MPIEDAD DE NAVARRA	5.631.454	0	5,000
AVIVA INTERNATIONAL HOLDING LIMITED (AHL)	0	3.382.250	3,003
BESTINVER BOLSA FI	3.548.942	0	3,151
ALBERT COSTAFREDA JO	3.476.859	0	3,087

*Through :

Name of the indirect shareholder	Name or corporate name of the direct shareholder	Number of direct voting rights	% over the total voting rights
JUAN SERRA ARAGONES	BOYSER, S.L.	15.905.405	14,122
BERNAT CORBERA BROS	EDREM S.L	15.204.914	13,500
ROBERT GARRIGOS RUIZ	ANIOL S.L	9.578.143	8,504
CAJA DE AHORROS Y MONTE DE PIEDAD DE NAVARRA	GRUPO CORPORATIVO EMPRESARIAL DE LA CAJA DE AHORROS Y MPIEDAD DE NAVARRA	5.631.454	5,000

Specify the most significant transactions that have taken place during the year in the shareholding structure:

A.3. Complete the following tables regarding the members of the company's Board of Directors who hold shares in the company.

Name or corporate name of the director	Number of direct voting rights	Number of indirect voting rights *	% over the total voting rights
Juan Planes Vila	0	13.572.929	12,051
Eloy Planes Corts	63.621	0	0,056
Bansabadell Inversió Desenvolupment, S.A. represented by Mr. Carlos Ventura Santamans	10.891.053	0	9,670
Bernardo Corbera Serra	202.243	0	0,18
Oscar Serra Duffo	0	0	0
Bernat Garrigós Castro	13.254	0	0,012
Richard J. Cathcart	7.200	0	0.006

Through*:

Name or corporate name of the direct shareholder	Number of direct voting rights	% over the total voting rights
DISPUR, SL	13.572.929	12,051
% of total voting rights held by the Board of Directors		21,975

Complete the following tables regarding the members of the company Board of Directors who own rights over company shares:

Name or corporate name of the director	Number of direct option rights	Number of indirect option rights	Number of equivalent shares	Total % of voting rights
ELOY PLANES CORTS	92.308	0	92.308	0.082

A.4. If applicable, state whether there are any relationships of a family, commercial, contractual or business nature between the significant shareholders that are known to the Company, unless such relationships are of little relevance or are the result of the ordinary line of business.

Name or company name related	Relationship	Briefly description
EDREM S.L and BOYSER S.R.L.	familiar	

A.5. If applicable, state whether there are any relationships of a family, commercial, contractual or business nature between the significant shareholders and the the Company and/or the group, unless such relationships are of little relevance or are the result of the ordinary line of business.

N/A

A.6. Specify whether the company has been notified of any agreements made by shareholders that may affect it in accordance with the provisions of Article 112 of the Spanish Stock Market Act. If applicable, give a brief description and list the shareholders related to the agreement.

On September 5th 2007 a syndication agreement was signed. It had the following features:

Intervening parties in the shareholders' agreement	% of capital affected	Brief description of the agreement
Mr Juan Planes Vila on behalf of Dispur, S.L; Mr Robert Garrigós Ruiz on behalf of Aniol, S.L; Mr Óscar Serra Duffo on behalf of Boyser, S.L; Mr Bernardo Corbera Serra on behalf of Edrem, S.L; Mr Carles Ventura Santamans on behalf of Bansabadell Inversió Desenvolupament, S.A.U	<hr/> Total 54.5000% <hr/> <hr/>	<p>It aims to regulate voting rights over four (4) years as of the date Fluidra shares are listed on the market. It likewise aims to regulate the limitations imposed on the free transfer of Syndicated Shares.</p> <p>In accordance with the law, all of the terms that must be adopted at the Fluidra General Shareholders Meeting are excluded from this Agreement.</p>

A.7. Specify whether any individual or legal entity exists that exercises or has the power to exercise control over the company in accordance with Article 4 of the Stock Market Act. If applicable, please specify:

YES

NO X

A.8. Fill in the following tables regarding the company's treasury stock:

At the close of the financial year:

Number of directly owned shares	Number of indirectly owned shares	Total % of share capital
2.132.433	0	1,893

Specify any significant variations that have taken place during the year, under the provisions of Royal Decree 1362/2007: NOT APPLICABLE

A.9. Detail the conditions and deadline of authorisation by the Board of Directors to execute acquisitions or transfers of own shares:

Pursuant to article 75 and related regulations in the Public Limited Companies Act, the General Shareholders Meeting held on 30 May 2008 unanimously agreed to authorise the Company to proceed with share buyback scheme, either directly or through companies in the group. As a result, the authorisations approved by the General Meeting on September fifth two thousand and seven is rendered null and void and, if applicable, authorisation is granted to use treasury stock for the execution or cover of remuneration plans

At the meeting of the Board of Directors held on 28/08/2008, it was unanimously agreed to ratify, as required, the actions taken, either directly or at the instruction of the Company's CEO, Mr Eloy Planes Corts, related to treasury stock in the performance of the authorisations granted for such purposes to the Board by the Extraordinary General Shareholders Meeting on September fifth two thousand and seven and by the Regular Shareholders Meeting held on 30 May 2008.

The Board of Directors unanimously agreed to authorise the CEO, Mr Eloy Planes Corts, to proceed with the Company's share buyback scheme, providing no more than two (2) percent of the Company's equity were bought back. This authorisation will be valid until 31 December 2009.

At the Board Meeting held on December sixteenth 2008, it was agreed to grant the CEO power of attorney to purchase up to a maximum of 3% of the Company's equity in treasury stock.

A.10. Specify, if applicable, the legal and statutory restrictions pertaining to exercising voting rights, as well as any legal restrictions on the acquisition or transfer of shares in the share capital:

Specify whether there are any legal restrictions on the exercise of voting rights:

YES ☐

NO ☒

The Share Syndication Agreement signed on September 5th 2007 reflects the wish of the Syndicated Shareholders to define their overall position of control over Fluidra, both in terms of exercising their voting rights and in syndicating certain share transfer operations between themselves.

None of the Syndicated Shareholders may sell, transfer, assign, encumber or in any other way dispose of the Syndicated Shares. The same applies to the transfer of the inherent political and economic rights of the Syndicated Shares during the initial four- (4) year Syndication Period.

Specify whether there are any legal restrictions on the purchase or transfer of shares in the share capital:

☒ YES

☐ NO

Description of the legal restrictions on the purchase or transfer of shares in the share capital

Under the provisions of Article 81.2 of the Stock Market Act, any Liable Individuals that are party to any kind of Privileged Information, "may not prepare or perform, directly or indirectly, whether in person or through third parties, any kind of transaction on the Company's Negotiable Securities and Financial Instruments".

Liable Individuals may not purchase or sell Negotiable Securities or Financial Instruments while the restriction periods are in force, that is:

- (i) In the fifteen days prior to the estimated date of publication of the quarterly, six-monthly and annual forecast statements that the Company is obliged to submit to the Spanish Securities Commission and the Governing Bodies of the Stock Exchange, and until its general publication.
- (ii) From the time that any information is made available until its general publication about proposals on the distribution of dividends, capital increases or decreases, of the issue of the Company's convertible securities.
- (iii) From the time any other Relevant Information is made available until it is officially released or becomes public knowledge.

In accordance with the provisions of Article 5.3 of the Internal Regulations on Conduct, negotiable securities may not be sold on the same day on which a purchase transaction takes place.

Subsequent to approval by the CEO, the Director of the Company's Legal Department may decide to either prohibit Liable Individuals from entering into transactions involving Negotiable Securities and Financial Instruments or to make such transactions mandatorily subject to his prior authorisation over the time that he sees fit, when circumstances so require. Under these circumstances, the CEO will be responsible for authorising any personal transactions the Director of the Legal Department may wish to conduct that involve Negotiable Securities and Financial Instruments.

A.11. Specify whether at the General Shareholders Meeting it was agreed to adopt neutralisation measures with regard to a takeover bid as provided for under Act 6/2007.

YES ☐

NO ☒

COMPANY MANAGEMENT STRUCTURE

B

B.1. Board of Directors

B.1.1. Specify the maximum and minimum number of directors foreseen in the articles of association:

Maximum number of directors	15
Minimum number of directors	5

B.1.2. Fill in the table below with the appropriate information about the members of the Board:

Name or company name of the director	Representative	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
Mr Joan Planes		Chairman	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Mr Eloy Planes		CEO and Member	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Mr Bernat Garrigós		Deputy Secretary	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Mr Oscar Serra Duffo		Member	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Mr Bernardo Corbera Serra		Member	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Bansabadell Inversio Desenvolupament, SA	Mr Carles Ventura Santamans	Member	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Mr Richard Cathcart		Member	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Mr Kam Son Leong		Member	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.

					Meeting.
Mr Juan Ignacio Acha-Orbea Echeverría		Member	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.

Total number of Board Members	9
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Specify the resignations tendered from the Board of Directors over the last year:

B.1.3. Fill in the tables below with the appropriate information about the members of the Board and their positions.

EXECUTIVE DIRECTORS

Name or company name of the director	Authority by which appointment made	Position on the company organisation chart
Eloy Planes Corts	N/A	CEO

Total number of Executive Directors:	1
% of the Board	11.11%

EXTERNAL DIRECTORS REPRESENTING CONTROLLING SHAREHOLDERS

Name or company name of the director	Authority by which appointment made	Name or company name of the significant shareholder represented or that proposed the appointment
Mr Juan Planes	N/A	DISPUR,S.L.

Mr Bernat Garrigós	N/A	ANIOL, SL.
Mr Oscar Serra Duffo	N/A	BOYSER, SL
Mr Bernardo Corbera Serra	N/A	EDREM, SL
Bansabadell Inversio Desenvolupament, SA	N/A	BANSABADELL DESENVOLUPAMENT, SAU

Total number of external directors representing controlling shareholders	5
% of the Board	55.55%

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of the director	Profile
Mr Richard J. Cathcart	<p>Born in Washington (USA) on 28 September 1944. He became a pilot with an engineering degree in the United States Air Force.</p> <p>From 1975 to 1995, he held a number of management positions in Honeywell Inc.</p> <p>In 1996 he was appointed manager head of Pentair Water Businesses (Minneapolis, USA), within the company Pentair.</p> <p>From 2005 until the current year, 2007, he held the post of deputy chairman of the Board of Directors of Pentair (Minneapolis, USA), where he handled international operations and business development.</p> <p>In September 2007, Mr. Cathcart was appointed to the Board of Directors of Watts Water Technology where he continues to serve.</p>
Mr Kam Son Leong	<p>Born in Selangor (Malaysia), on 27 January 1955. Graduated with Master Degree in mechanical engineering from Iowa State University in the United States.</p> <p>In the year 2000 he was appointed president of Asia/ Pacific of York International Corp., a Fortune 500 company listed at the NYSE. He performed said post until end 2004, handling the strategies of finance, business development and execution of business plan..</p> <p>From 2005, he joined J. W. Childs, a private equity company headquartered in Boston.</p> <p>He is a also board member in the following companies:</p>

	Vast Lava, Pro-Logic, HL Partners, Deluxe International, and Chairman of Henan ADD Electric Power Equipment, LTD.
Mr Juan Ignacio Acha-Orbea Echeverría	<p>Born in San Sebastián on 1 July 1956. He graduated in Economic Sciences from the Universidad Complutense of Madrid and earned a Masters in Business Administration from IESE Business School.</p> <p>From 1982 until 1986 he was the Manager of the company Chemical Bank, in Madrid and in New York. From 1986 until 1989, he carried out the post of Director of Variable Income and Investment Funds for the entity Bankinter.</p> <p>From 1989 until 2003 he was General Manager and Chairman of BBVA Bolsa, S.V.</p> <p>From 2003 until 2006 he formed part, as independent director, of the Board of Directors of the listed company TPI Páginas Amarillas.</p> <p>Furthermore, in the year 2003, he was appointed Chairman of the company Equity Contraste Uno, post which he continues to exercise at present.</p>

Total number of independent Directors	3
% of the Board	33,33 %

OTHER EXTERNAL DIRECTORS:

NONE

If applicable, specify the changes that have occurred over the past year in the duties performed by each director:

Not applicable

B.1.4.: Explain, if applicable, the reasons why external directors representing controlling shareholders were appointed at the request of the shareholders who own less than 5% of the capital: Not applicable.

Specify whether any formal requests to attend board meetings have been ignored if such requests have been made by shareholders who own the same number or more shares as others and at whose request external directors representing controlling shareholders directors would have been appointed. If applicable, explain why these requests were ignored.

YES ☐ NO ☒

B.1.5: Specify whether any directors have resigned from their posts before the end of their mandate. Give the reasons that were given for doing so and through which means of communication. If such resignations were tendered in writing to the Board, set out the reasons given for doing so below.

NOT APPLICABLE

B.1.6. If applicable, specify the duties that are delegated to the CEO.

The current CEO, Mr Eloy Planes, has delegated all duties on a permanent basis that are delegable according to the Law.

B.1.7 If applicable, specify the members of the Board who act as directors in other companies that form part of the group if the listed company.

Name	Company	Position/Partner
Eloy Planes Corts	Astral Nigeria, Ltd.	Director
	Maghrebine Des Equipments D'eau, S.A.R.L.	Joint and several director
	Fluidra Italia, S.R.L.	Sole director
	Astral Italia, S.P.A.	Sole director
	Astral Bazenove Prislusentsvi, S.R.O.	Joint and several director
	Astral India Private, Limited	Director
	Astral Pool Singapore, Pte Ltd.	Director
	Astral Piscine, S.A.S.	Sole director
	Certikin International, Limited	Director
	AP Immobiliere	Sole director
	Turcat Polyester Sanayi Ve Ticaret Anonim Sirketi	Director
	Cepex USA, Inc.	Director
	Zao Astral, SNG	Director
	Astral Pool Polska, S.A.	Director
	Astral Pool México, S.A. de C.V.	Director
	Astral Scandinavia AS/	Director
	Magyar Astral Pool, Kft.	Joint and several director
	Astral Products, Inc.	Director
	Astral Pool Chile, Sociedad Anónima Cerrada	Director
	Manufacturas Gre, S.A.U.	Sole director
	ADBE Cartera, S.A.U.	Sole director
	Aquaambiente Tratamiento de aguas o soluções para o ambiente, S.A.	Director
	Astral Pool Group, S.L.U.	Sole director
	Fluidra Services, S.A.U.	Director
	Prohogar, S.L.	Sole director
	Astral Pool Deutschland GmbH	Joint and several director
	Astral Equipment Australia Pty, Ltd.	Director
	Astral Pool Hellas	Director
	Astral Pool Balkans JSC	Director
	Moderne Wassertechnik AG (MTH)	Director
	Catpool, S.A. de C.V.	Director
	Astral pool UK, Limited	Director
	Marazul, Lda.	Sole director
	Gre Aqua and Pool, S.L.U.	Sole director

Name	Company	Position/Partner
	SNTE Agua Group, S.A.U.	Sole director
	Astral Havuz Ekipmanlari Sanayi ve Ticaret	Director
	Astral Pool España, S.A.U.	Sole director
	Cepex Holding, S.A.U.	Sole director
	Neokem Grup, S.A.U.	Sole director
	Auric Pool, S.A.U.	Sole director
	Astral Pool, S.A.U.	Sole director
	Manufacturas Gre, S.A.U.	Sole director
	Astral Export, S.A.	Sole director
	Mercamaster Group, S.L.U.	Sole director
	Pool Supplier, S.L.U.	Sole director
	Inmobiliaria Swim 38, S.L.U.	Sole director
	Swimco Corp, S.L.	Sole Director
	Fluidra France, S.A.S.	Sole Director
	Ya Shi Tu Swimming Pool Equipment (Shanghai) Co, Ltd	Sole Director
	Astralpool Cyprus, Ltd	Director
	CTX Chemicals, SRL	Director
		Director
	Cepex, S.R.L.	Director
		Director
	Certikin Italia, Spa	
	Astral Pool Thailand, Co., Ltd	Joint and several Director
	Fluidra Thailand, Co., Ltd	Joint and several Director
	Astral South Africa, Pty, Ltd	Joint and several Director

B.1.8. If applicable, provide details about the directors of the company who sit on the Board of Directors of other officially listed companies in Spain that do not belong to your group and about which the company has been officially notified: N/A

B.1.9. Specify and, if applicable, provide details about whether the company has established rules on the number of boards on which your directors may sit:

Yes x

No

<ul style="list-style-type: none"> - It was unnecessary to limit the number of boards per board member. The evaluation of the performance of the Board members by the Committee was a sufficient control formula. - In cases of no conflict of interest, the Board member would notify to the Board Secretary his intention to become a member of another board. The Secretary would in turn notify the Chairman, the CEO and the legal management of Fluidra. - In cases of conflict of interest, consent would have to be requested from Fluidra through the Board Secretary to be able to be a member of the other board.

B.1.10. With regard to recommendation number 8 in the Unified Code of Corporate Governance, describe the company's general policies and strategies that may only be approved at plenary Board meetings.

	YES	NO
Investment and financing policies* unless they correspond to the General Shareholders' Meeting	x	
The definition of the group's corporate structure	x	
Corporate governance policies	x	
Policies on corporate liability	x	
The strategic or business plan, management goals and annual expenditure	x	
Policies on remuneration and the assessment of the performance of senior management	x	
Policies on risk management, the regular monitoring of internal information and control systems	x	
Policies on dividends and treasury stock, with particular regard to the thresholds of such	x	

B.1.11 Fill in the tables below with details about the aggregate remuneration of the Board members accrued over the year:

In the company that is the subject of this report:

Remuneration category	Figures in thousands of euros
Fixed remuneration	1099
Variable remuneration	0
Travelling expenses	0
Statutory business	0
Stock options and/or other financial instruments	0
Other	0
TOTAL:	1099

b) In other companies in which the directors sit on the board and/or in other companies in the group in which they perform senior management tasks:

Remuneration category	Figures in thousands of euros
Fixed remuneration	--
Variable remuneration	--
Travelling expenses	-
Statutory business	-
Stock options and/or other financial instruments	-
Other	-
TOTAL:	--

c)

Other benefits	Figures in thousands of euros
Advances	-
Loans granted	-
Pension Funds and Plans: Contributions	-
Pension Funds and Plans: obligations incurred	-
Life insurance premiums	2
Guarantees provided by the company to the directors	-

Total remuneration by category of director:

Category of director	By company	By group
Executive	345	
External directors representing controlling shareholders	480	
External Independent	274	
Other External	0	
Total	1099	0

d) In comparison with the profits derived from the parent company:

Name or company name	Post
Mr Jaume Carol	General Manager for Operations
Mr. Jesús Serra	Business Unit Manager
Mr Antoni Rubio	General Manager for Corporate and Financial Affairs
Mr Pere Ballart	Business Unit Manager
Mr Amadeu Serra	Business Unit Manager
Mr Carles Franquesa	Business Unit Manager
Mr Javier del Campo	Business Unit Manager
Mr Ignacio Elburgo	Business Unit Manager
Total remuneration for directors (in thousands of euros)	1099
Total remuneration for directors/profits derived from the parent company (expressed in %)	5,2%

B.1.12 Name the members of the senior management that are not executive directors, and state their total accrued remuneration over the year:

Total remuneration for senior management (in thousands of euros)	1.423
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B.1.13 In aggregate terms, state whether there are any guarantee or protection clauses in the case of dismissal or changes of control for senior management, including executive directors, of the company or the group. State whether the company or the group's governing bodies must be notified and/or approve such contracts:

Number of beneficiaries	9
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	Board of Directors	General Meeting
Body that approves the clauses	x	

	YES	NO
Is the General Meeting informed about the clauses?		x

B.1.14 Describe the process for establishing the remuneration of the members of the Board of Directors and the related clauses in the articles of association:

<p align="center">Process for establishing the remuneration of the members of the Board of Directors and the related clauses in the articles of association</p>
<p>Article 44 of the Articles of Association makes the following provisions: Amount. Total annual remuneration for the Board for all items mentioned below shall be five per cent of the profits of the consolidated group, approved by the General Meeting, although the Board of Directors may reduce this percentage in any financial years it deems appropriate to do so.</p> <p>Items. Remuneration for Board members consists of a fixed monthly amount and a share in profits. The Board shall be responsible for distributing the corresponding amount between the foregoing items and among the Board members in the manner, time and proportion it freely determines.</p> <p>In determining the amount of pay to the directors, heed shall be taken of any observations made by the auditors of the Company. It shall likewise be ensured that the said remuneration is based on the actual performance of the directors, rather than just on the market performance of the industry in which the company operates or other similar circumstances</p> <p>In accordance with the provisions of Article 130 of the Corporations Act, profit-sharing remuneration may be collected by the Board members only after the legal and statutory reserve has been covered and the shareholders have been paid a minimum dividend of four per cent.</p> <p>Members of the Board of Directors shall also receive per diems for attending each meeting of the Company's administrative bodies and committees. The Board of Directors may set the amount of the per diems, which shall not exceed the amount determined as a fixed monthly allowance.</p> <p>Board members may also be remunerated with stock in the Company or another company in the group to which it belongs, options on same, or instruments linked to its price. When the remuneration involves Company shares, it must be approved by the</p>

General Meeting of Shareholders. This decision, if applicable, shall state the number of shares to be given, the price for the exercise of option rights, the value of the shares taken as reference, and the length of time for this form of remuneration.

The Company is authorised to contract civil liability insurance for its Board members.

Benefits accounting. The remuneration envisioned in this article shall be compatible with and independent of salaries, payment in kind, emoluments, reimbursements, pensions, contributions to social security systems, life insurance, stock or stock options or compensations of any kind established generally or individually for those members of the Board of Directors who perform executive functions, regardless of the nature of their relationship with the Company, whether occupational – ordinary or special upper-management – mercantile or provision of services, which relationships shall be compatible with the status of members of the Board of Directors.

The remuneration paid to the Board of Directors as specified in point d) of section B.1.11 includes the remuneration paid to the Managing Director for his executive role. Without taking this remuneration into account, the % of remuneration paid to the Board of Directors on the net consolidated profit of the parent company is 4,%, as defined in the Articles of Association.

State whether the following decisions are taken at plenary Board meetings:

	Yes	No
At the proposal of the company's most senior executive, appointments and dismissals of senior management, and the conditions of severance pay.	x	
The remuneration of directors and, in the case of executives, bonuses for carrying out their executive duties and other contractual conditions that must be respected.	x	

B.1.15 State whether the Board of Directors approves a detailed breakdown of retributions and specify the matters on which it has a say:

Yes x No |

	Yes	No
Amount of fixed expenditure, with a breakdown, if applicable, of expenses for Board and Committee members, and an estimate of the fixed annual remuneration to which they give rise.	x	
Remuneration items of a variable nature.	x	

Main characteristics of payment forecast systems, with an estimate of the amount involved or the annual equivalent cost.	x	
Conditions that must be met by the contracts of senior managers, such as executive directors.	x	

B.1.16 State whether a report on the remuneration policy for company directors is put to the vote by the Board at the General Meeting as a separate item on the agenda and for the purposes of consultation. If applicable, explain the aspects in the report that deal with the remuneration policy that has been passed by the Board for future application, the most significant changes to such policies over the past year and a general summary of how the remuneration policy was applied during the year. Give details of the role played by the Remuneration Committee and state whether external advice has been sought and name the external consultants who have provided such services:

Yes x

No |

Matters dealt with in the report on the remuneration policy
General principles of the remuneration policy
General principles of the remuneration policy for Board Members
Remuneration system for Executive Directors
Remuneration system for Non-executive Directors

Role played by the Remuneration Committee
Drawing up of the Remunerations Report

	Yes	No
Has external advice been sought?		
Name of external consultants		

B.1.17 If applicable, name the members of the Board who are Directors of Boards, senior managers or employees of other companies and who also hold significant shares in the listed company and/or other organisations in the group:

Name or company name of the Board member	Company name of the significant shareholder	Post

If applicable, describe any relevant relationships, other than those specified in the above section, that the members of the Board of Directors may have with any of the significant shareholders and/or organisations in the group:

Name or company name of the director concerned	Name or company name of the substantial shareholder concerned	Description of relationship
D. Juan Planes Vila	DISPUR, S.L.	Chairman
D. Eloy Planes Corts	DISPUR, S.L.	Member
D. Bernat Garrigós Castro	ANIOL, S.L.	CEO
D. Bernardo Corbera Serra	EDREM, S.L.	CEO
D. Oscar Serra Duffo	BOYSER, S.L.	Executive Chairman
BANSABADELL INVERSIO I DESENVOLUPAMENT, S.A. represented by Mr. Carles Ventura Santamans	BANSABADELL INVERSIO I DESENVOLUPAMENT, S.A. represented by Mr. Carles Ventura Santamans	CEO

B.1.18. State whether any changes have been made to the Board's regulations over the past year:

Yes

No X

B.1.19. Describe the procedures for the appointment, re-election, assessment and removal of directors. Provide details about the responsible bodies, the procedures to be followed and the criteria to be applied in each of the procedures.

Article 36 of the Articles of Association sets out the following:

The Board of Directors shall be composed of a number of members, which shall not be less than five (5) or greater than fifteen (15). The members shall be determined by the General Meeting.

The General Meeting of shareholders is responsible for setting the number of directors. For this purpose, it shall proceed directly to set said number by means of an express decision or indirectly by the filling of vacancies or the naming of new directors, within the maximum limit set in the preceding paragraph.

The General Meeting must ensure that, insofar as is possible, the number of outside or non-executive members on the Board is a substantial majority with respect to the number of executive members. The number of executive members must likewise be the minimum necessary and must take into account the group's complexity and the proportion of the Company's capital that is held by

the executive members. Finally, the Meeting must ensure that the number of independent members represents at least one-third (1/3) of the total number of members.

The definitions of the various categories of members shall be those set forth in the corporate-governance recommendations that are applicable at any time.

In the event that there is any outside member who cannot be considered to represent the controlling shareholders or to be independent, the Company shall explain this circumstance and the relationship that this member has, whether that be with the Company, its executives or its shareholders.

The nature of each member must be explained by the Board before the General Meeting of Shareholders that is to appoint them or ratify their appointment.

Appointment of Directors:

- Pursuant to Article 17.1 of the Board's Regulations, directors shall be put forward (i) at the suggestion of the Appointments and Remuneration Committee, in the case of independent directors; and (ii) subsequent to a report by the Appointments and Remuneration Committee in the case of all other directors. Directors shall be appointed by the General Meeting or the Board of Directors in accordance with the provisions of the Public Limited Companies Act.

- With regard to external directors, Article 18 of the Board's Regulations sets out that the Board of Directors must endeavour to ensure that candidates are solvent, competent and have proven experience. These conditions will be strictly upheld in the case of calls to cover the position of independent director, as provided for under Article 6 of the Regulations.

Re-election of Directors:

- Article 19 of the Board's Regulations only establishes that before proposing the re-election of directors to the General Meeting, the Board shall assess the quality of work and the dedication the proposed candidates have displayed in their previous mandates. Pursuant to Article 22, the assessment shall be made in the absence of the candidates.

Assessment of Directors:

- Article 19 of the Board's Regulations establishes that before proposing the re-election of directors to the General Meeting, the Board shall assess the quality of work and the dedication the proposed candidates have displayed in their previous mandates. Pursuant to Article 22, the assessment shall be made in the absence of the candidates.

Removal of Directors:

- Article 21.1 of the Board's Regulations sets out that directors shall step down from their posts when the period for which they were appointed has terminated, or when the General Meeting so decides should it exercise its legal or statutory powers. This is in accordance with the terms and conditions set out in Article 132 of the Public Limited Companies Act.

B.1.20. State the circumstances in which directors must step down.

Pursuant to Article 21.2 of the Board's Regulations, the directors must place their posts at the disposal of the Board of Directors and formalise, if it deems this appropriate, the corresponding resignation in the following cases:

- a) When they step down from the posts as executives that were related to their appointment as directors.

- b) When involved in any legally established circumstances of incompatibility or prohibition.
- c) When seriously warned by the Board of Directors due to having infringed their obligations as directors.
- d) When their permanence on the Board might endanger or prejudice the interests, credit or reputation of the company or when the reasons for which they were appointed disappear (for example, when a external director representing controlling shareholders disposes of their participation in the company);
- e) In the case of independent directors, they may not remain as such for a continuous period of more than twelve years, and therefore once such period has elapsed, they must place their post at the disposal of the Board of Directors and formalise the corresponding resignation.
- f) In the case of external directors representing controlling shareholders; (i) when the shareholder they represent sells in full their shareholding stake, and furthermore (ii) in the number which corresponds, when such shareholder reduces their shareholding stake to a level which requires a reduction in the number of external directors representing controlling shareholders.

- In addition, Article 21.3 sets out that in the case that a director steps down, whether due to resignation or any other reason, before the end of his mandate period, the reasons for doing so must be given in a letter that must be sent to all of the members of the Board.

The Board of Directors may only propose the removal of an independent director before the end of the statutory period if there is a good reason for doing so, which must be assessed by the Board subsequent to submitting a report to the Appointments and Remuneration Committee. It shall specifically be understood that a director may be justifiably removed should he fail to fulfil the duties inherent to his post or should he for any reason become involved in any of the circumstances that independent directors are barred from as described in the recommendations on good corporate governance that are in force at any time.

B.1.21. Explain whether the duties of chief executive of the company are assigned to the office of the Chairman of the Board of Directors. If so, state the measures that have been taken to limit the risks of accumulation of powers by a sole person:

Yes

No X

Measures to limit risks

State and, if appropriate, explain whether rules have been established to empower one of the independent directors to call a meeting of the Board or to include new items on the agenda, to co-ordinate and express the concerns of the external directors and to direct the evaluation by the Board of Directors.

Yes X

No

Measures to limit risks
Article 15.4 of the Regulations of the Board of Directors foresee that, in the event of the Chairman of the Board also being the chief executive of the Company (which does not arise

in this case), the Board of Directors will empower one of the independent directors to be able to call a meeting of the Board or include new items on the agenda, and thus be able to co-ordinate and express the concerns of the independent directors and direct evaluation of the Chairman by the Board. Should one or several Vice-Chairmen of the Company have independent director status, the Board will empower any of them so they may perform the duties to which this section refers.

B.1.22. Are higher majorities required, other than those required by law in any decision making processes?

Yes

No ☒

State how the resolutions by the Board of Directors are passed, stating at least the minimum attendance quorum and the type of majorities to adopt the resolutions:

- Pursuant to article 16.4 of the Regulations of the Board of Directors, all the decisions by the Board must be passed by an absolute majority, except in the cases in which the Law, the Articles of Association or those Regulations specifically establish other voting quorums, the resolutions will be passed by absolute majority of the parties attending the meeting. In the event of a draw in the votes, the Chairman will cast the deciding vote.
- Article 16.1 of the Regulations of the Board of Directors establishes that the Board will be validly constituted when attended by at least half plus one of its members, who are present or represented. The directors will do everything possible to attend the meetings of the Board and when unable to attend personally, will grant their representation in writing, specifically for each meeting, to another member of the Board, including the appropriate instructions and a notification to the Chairman of the Board of Directors.

B.1.23 Explain whether there are specific requisites, other than those concerning the directors, to be appointed as Chairman.

Yes

No ☒

Description of the requisites

B.1.24 State whether the Chairman has a deciding vote:

Yes ☒

No

Matters in which there is a deciding vote
In all matters in the event of a draw

B.1.25 State whether the Articles of Association or regulations of the Board establish any limit on the age of the directors.

Yes

No ☒

Limit on the Chairman's age

Limit on the age of a CEO

Limit on the age of a Director

B.1.26 State whether the Articles of Association or regulations of the Board establish a limited term of office for independent directors:

Yes

No ☒

Maximum number of years of term of office	
--	--

B.1.27 If the number of female members of the board is scarce or null, explain the reasons and the initiatives adopted to correct that situation.

Explanation of the reasons and initiatives

<p>Fluidra's Criteria for the Selection and Appointment of Independent Directors, which were approved by the Board of Directors, state that the Company "in the selection of directors, will take into account gender diversity in order to safeguard Equal Opportunities, as set out in the Equal Opportunities Act (22 March 2007). Likewise, Fluidra shall endeavour to ensure that the members of the Board of Directors are not only chosen on the basis of gender diversity, but also on the basis of diversity in origin, age and professional experience".</p>

In particular, state

whether the Appointments and Remuneration Committee has established procedures so the selection procedures do not suffer from an implicit bias that hinders the selection of female board members, deliberately seeking female candidates who meet the required profile:

Yes ☐No ☒

State the main procedures

B.1.28 State whether there are formal processes for the delegation of votes on the Board of Directors. If so, describe briefly.

Article 42 of the Articles of Association sets out the following:

The Board shall be validly constituted when one-half plus one of its members, present or represented, attends the meeting. Representation by proxy shall be made in writing through a letter addressed to the Chairman for each particular meeting and must be in favour of another Board member.

Decisions shall be taken by an absolute majority of those attending the meeting, except in those cases in which the law, these Articles of Association or the Regulations of the Board of Directors have set higher majorities. In the event of a tie, the Chairman's vote shall decide.

Minutes shall be kept of the meetings of the Board of Directors and shall be signed at least by the Chairman or the Vice-chairman and the Secretary or the Deputy Secretary, and shall be transcribed or compiled according to law in a special book of Board minutes.

The minutes shall be approved by the Board of Directors at the end of the meeting or at a subsequent one.

Article 16.1 of the Regulations of the Board of Directors sets out the following:

Meetings of the Board of Directors shall be validly constituted when at least one half plus one of its members is present or represented. The directors shall make every endeavour to attend all Board meetings and when unable to do so shall designate a proxy in writing. Such proxies shall be

members of the Board, specifically designated for one meeting only and issued with instructions for the meeting. The Chairman of the Board of Directors shall be notified of such circumstances.

B.1.29 State the number of meetings the Board of Directors has held during the financial year. If applicable, also state the number of times the Chairman has not attended Board meetings:

Number of Board meetings	7
Number of Board meetings not attended by the Chairman	1

State the number of meetings of the different committees of the Board held during the year:

Number of meetings of the Executive or Delegate Committee	6
Number of meetings of the Audit Committee	7
Number of meetings of the Appointments and Remuneration Committee	5
Number of meetings of the Appointments Committee	5
Number of meetings of the Remunerations Committee	5

B.1.30 State the number of meetings the Board of Directors has held during the financial year without it being attended by all its members. The calculation will consider representation without specific instructions as non-attendance:

Number of non-attendances by directors during the financial year	Ø
% non-attendance out of total votes during the financial year	Ø

B.1.31. State whether the consolidated individual annual accounts presented to the Board for approval are previously certified:

YES

NO X

B.1.32. Explain, if any, the mechanisms established by the Board of Directors to avoid the individual and consolidated accounts prepared by it being presented to the General Meeting of Shareholders with qualifications in the auditor's report.

No formal procedure has been established, despite the fact that the Audit Committee must notify the Board of Directors prior to the drawing up of Individual and Consolidated Accounts to ensure they are presented without reservations.

B.1.33. Is the Secretary to the Board a director?

No, the Secretary to the Board is not a director.

B.1.34. Explain the procedures for the appointment and severance of the Secretary to the Board, stating whether his appointment and removal are reported by the Appointments Committee and approved by the plenary Board meeting:

Appointment and severance procedure
Article 5.1 of the Regulations of the Board of Directors establishes that it will be the remit of the Board to appoint and renew the positions on it.
Pursuant to Article 10 of the Regulations of the Board of Directors and in order to safeguard

independence, impartiality and professionalism of the Secretary, his appointment and severance will be reported by the Appointments and Remuneration Committee and approved by the plenary meeting of the Board.

The current Secretary to the Board was appointed by the meeting of the Board of Directors held on September 17th 2007 at the same time as the Remunerations and Appointments Committee was created. His curriculum vitae, which proves his objectivity and professionalism, are included in the Information Prospectus of the Public Offer for the Sale of Shares by Fluidra, S.A. on October 11th 2007.

	YES	NO
Does the Appointments Committee report on appointments?	X	
Does the Appointments Committee report on severance?	X	
Does the Meeting of the Board approve the appointment?	X	
Does the Meeting of the Board approve severance?	X	

Is the Secretary to the Board specifically entrusted with the recommendations of good governance?

YES X NO

Remarks
Article 10.3 of the Regulations of the Board of Directors establishes that the Secretary, among other duties, shall specifically ensure that the actions by the Board take into account the recommendations on the good governance of the Company.

B.1.35 State, if any, the mechanisms established by the Company to ensure the independence of the auditor, the financial analysts, merchant banks and rating agencies.

To ensure the independence of the auditor:

Article 46 of the Articles of Association establishes that the Audit Committee must:

- Propose the appointment of the external accounts auditors, as set out in article 204 of the Public Limited Companies Act, to the Board of Directors for submission to the General Shareholders Meeting, as well as their conditions of hire, the scope of their professional mandate and, as appropriate, the revocation or renewal of their contracts.
- Deal directly with the external auditors so that any information received on matters that may jeopardise the independence of the latter may be tackled. It must likewise deal with all matters related to the account auditing process, any notices that have to be issued under the provisions in the legislation on account auditing and ensure compliance to auditing standards.

Article 54 establishes that auditors will be appointed by the General Shareholders Meeting before the end of the period to be audited, for a specific period of time that may not be less than three years or exceed nine. Moreover, the Meeting may appoint one or several individuals or corporations to act jointly. The General Shareholders Meeting may not dismiss the auditors before the end of the period for which they were appointed, unless there is a fair reason.

Moreover, the Regulations of the Company's Board of Directors, and more specifically article 13, establishes that the Audit Committee must:

- Receive regular information from the external auditor on the audit plan and the results of its execution, and verify that senior management takes its recommendations into account.
- Ensure the independence of the external auditor and, therefore, (i) it will be responsible for the Company reporting a change of auditor to the Spanish Securities Commission (CNMV) as a relevant fact and for backing up such reports with a statement on disagreements, if any, that have arisen with the outgoing auditor and their nature; (ii) it will ensure that the Company and auditor abide by the regulations in force on the provision of services other than auditing and, in general, that they abide by all other regulations established to ensure

the independence of auditors; and (iii) in the event of an external auditor resigning, it must examine the circumstances behind the resignation.

- Ensure that the auditor takes full liability for the audits of each company in the group in the case of group audits.

To ensure the independence of financial analysts, merchant banks and rating agencies:

The Company must maintain a relationship with financial analysts and merchant banks that safeguards the transparency, non-discrimination, veracity and reliability of all information supplied. The Manager for Corporate Finance, through the Manager for Investor Relations, coordinates the processing and management of all requests for information from private and institutional investors. The mandates to merchant banks are granted by the General Manager for Corporate Finance. The Manager for Development grants any mandates for advice that may be deemed necessary from merchant banks in their field of operations and in coordination with the General Manager for Corporate Finance.

The Company does not have a credit rating and, therefore, does not have a relationship with credit rating agencies.

The independence of financial analysts is safeguarded through the Manager for Investor Relations, whose specific remit is to deal with investors in an objective, fair and non-discriminatory way. In compliance with the regulations set out by the Securities Commission, the Company has several channels of communication in order to safeguard the principles of transparency and non-discrimination:

- Personalised customer services for analysts and investors.
- Publication of information relative to the quarterly results, relevant facts and other notices.
- Publication of press releases.
- E-mail on the website (investor_relations@fluidra.com) and a shareholders' helpline (+34902026039).
- List of presentations either made in person or over the phone.
- Visits to the Company's facilities.

All of the above information is available on the Company's website (www.fluidra.com).

B.1.36. State whether during the financial year, the Company has changed external auditor. If so, identify the incoming and outgoing auditor.

The external auditors were not changed by the Company in 2008.

B.1.37. State whether the firm of auditors performs other work for the company and/or its group other than those of auditing. If applicable, state the fees paid for that work and the percentage in terms of the overall fees that were billed.

	COMPANY	GROUP	TOTAL
Amounts for work other than auditing (thousands of euros) * includes fees for Market listing	976.812	924.501	1.901.313
Amount for work other than auditing/total amount billed by the	69,000	12,000	20,850

auditing firm in %			
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B.1.38. State whether the audit report on the Annual Accounts of the previous financial year has reservations or qualifications. If appropriate, state the reasons given by the Chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

YES NO X

B.1.39 State the number of years the current auditing firm has uninterruptedly performed the auditing of the annual accounts of the Company and/or Group. Likewise, state in percentage terms the number of years the current auditing firm has been responsible for auditing the accounts.

	Company	Group
Number of uninterrupted years	5+ the current year	7 + the current year

	Company	Group
Number of years audited by the current auditing firm/number of years the company has been audited (%)	100%	100%

B.1.40 State the shares held by members of the Company's Board of Directors in the capital of firms that carry out the same, similar or complementary activities to those that are the corporate object of both the company and its group, and that have been reported to the Company. Likewise, state the posts held or duties performed at those companies:

Name or company name of Director	Name of the subject company	% share	Post or duties
Mr Juan Planes Vila	DISPUR, S.L.	72,445%	CHAIRMAN
Mr Oscar Serra Duffo	---		
Mr Bernat Corbera Serra			
Mr Bernat Garrigós Castro	Aniol, S.L.	0.694%	CEO
BanSabadell Inversió Desenvolupament, S.A.	Companyia d'Aigües de Sabadell, S.A.	5.68%	---
Mr Juan Ignacio Acha-Orbea Echevarría	---		
Mr Kam Son Leong	---		
Mr Richard J. Cathcart	---		
Mr Eloy Planes Corts	DISPUR, S.L.	4,724%	Member

B.1.41. State and, if appropriate, specify whether there is a procedure for the directors to be able to obtain external advice:

YES X NO

Details about the procedure
Pursuant to Article 21 of the Regulations of the Board of Directors, all the directors, in order to be aided in exercise of their duties, may obtain the necessary advice from the Company to perform their duties. To that end, the Company will provide the adequate channels that, under special circumstances, may include external advice at the Company's expense. In any case, the commission must necessarily concern the specific problems that are of a

certain nature and complexity that arise in the performance of duties.

The decision to hire must be reported to the Chairman of the Company and may be vetoed by the Board of Directors if the following is accredited:

- a) That it is not necessary for the full performance of the duties with which the external directors are entrusted.
- b) That its cost is not reasonable with regard to the importance of the problem and the assets and revenue of the company.
- c) That the professional advice obtained may be adequately dealt with by experts and technicians in the Company.

B.1.42 State, and if appropriate, specify whether there is a procedure for directors to obtain the necessary information to prepare the meetings of the governing bodies with sufficient time in advance:

YES X

NO

Details about the procedure

Article 23 of the Regulations of the Board of Directors establishes the following mechanism:

1. Directors may request information on any matter for which the Board is responsible and to this end may examine the books, records, documents and other documentation. The right to information includes investees, whenever this is possible.
2. The request for information must be addressed to the Secretary of the Board of Directors, who will convey it to the Chairman of the Board and the appropriate contact at the Company.
3. The Secretary will advise the director of the confidential nature of the information requested and received and of his duty to maintain confidentiality under the terms in the Regulations of the Board.
4. The Chairman may refuse to provide information if he considers (i) that it is not necessary for the full performance of the duties with which the director is entrusted or (ii) that its cost is not reasonable in view of the importance of the problem and the assets and revenue of the Company.

B.1.43 State and, if appropriate, specify whether the company has established rules that oblige the directors to notify, and if appropriate resign, in cases in which they may damage the credibility and reputation of the company:

YES X

NO

Explain the rules

Article 26 of the Regulations of the Board of Directors establishes, among other obligations of directors, that they must notify the Appointments and Remuneration Committee of their other professional obligations, in case they interfere with the dedication required.

Article 28 of the same Regulations establishes that directors may not hold office as administrators or executives of companies that compete with the Company, with the exception of the posts they might hold, if applicable, in a company in the group. Likewise, although they may provide professional services to firms that have a corporate object that is totally or partially similar to that of the company, they must previously inform the Board of Directors, which may provide justified refusal to authorise such activities.

Article 34.2 of the same Regulations establishes the obligation of directors to inform the Company of posts held on the Board of Directors of other listed companies and, in general, of facts, circumstances or situations that may be relevant to their management activities. Likewise, all directors must inform the Company in cases in which they may damage the credibility and reputation of the company and, in particular, they must inform the Board of criminal cases in which they are charged as accused, as well as the subsequent result of such proceedings. Lastly, that same article establishes that, in the event of a director being prosecuted, or a court

order being handed down to take trial proceedings against him for any of the offences stated under Article 124 of the Stock Company Act, the Board shall examine the case as soon as possible and, depending on the specific circumstances, will decide whether or not it is appropriate for the director to remain in office.

B.1.44 State whether any member of the Board of Directors has notified the company that he has been prosecuted or had trial proceedings ordered against him, for any of the offences pursuant to Article 124 of the Stock Company Act:

YES

NO X

B.2.1 List all of the committees pertaining to the Board of Directors and their members:

I. EXECUTIVE OR DELEGATE COMMITTEE

Name	Position	Type
Mr Eloy Planes Corts	Chairman	Executive director
Mr Oscar Serra Duffo	Member	External directors representing controlling shareholders
Mr Bernardo Corbera Serra	Member	External directors representing controlling shareholders
Bansabadell Inversió Desenvolupament, S.A.U.	Member	External directors representing controlling shareholders
Mr Juan Ignacio Acha-Orbea Echevarría	Member	Independent director
Mr Bernat Garrigós Castro	Non-member secretary	External directors representing controlling shareholders

II. AUDIT COMMITTEE

Name	Position	Type
Mr Juan Ignacio Acha-Orbea Echevarría	Chairman	Independent director
Bansabadell Inversió Desenvolupament, S.A.U.	Secretary	External directors representing controlling shareholders
Mr Juan Planes Vila	Member	External directors representing controlling shareholders

III. APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
Mr Richard J. Cathcart	Chairman	Independent director
Mr Bernat Garrigós Castro	Member	External directors representing controlling shareholders
Mr Kam Son Leong	Member	Independent director

B.2.2 State whether the Audit Committee is responsible for carrying out the following:

	Yes	No
Supervising the drawing up and integrity of the company's and, if applicable, the group's financial statements. Ensuring that regulations are complied with, that the scope of consolidation is abided by and that accounting standards are properly applied.	X	
Regularly reviewing internal control and risk management systems in order to ensure that the main risks are properly identified, managed and made known.	X	
Ensuring that internal auditing systems are objective and efficient. Proposing the selection, appointment, re-election and dismissal of the head of the internal auditing department. Proposing the budget for this department. Receiving regular information about the department's activities. Checking that senior management takes the conclusions and recommendations in reports into account.	X	
Establishing and monitoring a system whereby employees are able to supply confidential or anonymous information about irregularities that they have detected in the company, which have potentially serious consequences, particularly with regard to financial and accounting practices.	x	
Presenting the Board with proposals for the selection, appointment, re-election and replacement of the external auditor and suggesting amendments to the auditor's contract.	x	
Receiving regular information from the external auditor about its auditing policy and the results of its application. Checking that senior management takes the auditor's recommendations into account.	X	
Ensuring the objectivity of the external auditor.	X	
Encouraging auditor to take responsibility for all of the audits that are carried out in the companies that make up the group, if applicable.	X	

B.2.3. Describe the rules governing the organisation, functions, and responsibilities of each of the Board committees.

The Board of Directors may appoint one or more Delegate Directors. Moreover, it may delegate, totally or partially, temporarily or permanently, all the powers which are subject to delegation pursuant to Law. In order to be valid, the delegation and appointment of the members of the Board to occupy such posts will require the favourable vote of two thirds of the members of the Board. Such posts will not come into effect until they have been recorded in the Company Registry.

Delegate Committee:

Without prejudice to the delegation of powers in favour of one or more delegate directors and powers of attorney that may be granted to any individual, the Board of Directors, in the same way as described in the point above, may appoint a Delegate Committee that will be made up of five directors. In as far as is possible, the Delegate Committee shall reflect the make-up of the Board in terms of the quality and balance between executive, external directors representing controlling shareholders and independent directors.

Audit Committee:

An Audit Committee has been set up within the Board of Directors. It is made up of a minimum of three directors, non-executives and who are appointed by the Board of Directors.

The Audit Committee will exercise, notwithstanding any other duties it might be assigned by the Board of Directors from time to time, the following basic duties:

- Inform in the General Shareholders' Meeting of matters raised therein by the shareholders in

matters that fall within the scope of their responsibility.

- Propose to the Board of Directors the appointment of the external accounts auditors referred to in article 204 of the Spanish Public Limited Liability Companies Act, as well as their contracting conditions, the scope of their professional mandate and, where applicable, their revocation or non-renewal, which shall subsequently be submitted to the General Shareholders' Meeting.
- Supervise the internal auditing systems.
- Review the accounts of the Company, ensure the fulfilment of the legal requirements and the correct application of the generally accepted accounting principles, with the direct collaboration of the external and internal auditors to do so.
- Supervise the policy on control and risk management involved in the achieving of the corporate objectives.
- Be familiar with the processes for financial information, the internal control systems of the Company, verify the suitability and integral nature of the same and review the appointing or replacing of those responsible.
- Take care of and supervise the relationships with the external auditors.
- Supervise compliance with the auditing agreement, ensuring that the opinion regarding the annual accounts and the main contents of the auditing report are drawn up clearly and precisely, and evaluate the results of each audit.
- Examine the fulfilment of the Internal Code of Conduct, of these Regulations and, in general, of the rules of management of the Company, and make the proposals necessary for their improvement.
- Receive information and, where applicable, issue reports on the disciplinary measures which they intend to impose on members of the senior executive team of the Company.

Furthermore, the following corresponds to the Audit Committee:

- In relation to the information and internal control systems:
 - (a) Supervise the preparation process and integral nature of the financial information regarding the Company and, where applicable, the group, reviewing the fulfilment of the regulation requisites, the appropriate delimiting of the scope of consolidation of the accounts and the correct application of the accounting criteria.
 - (b) Review periodically the internal control and risk management systems, so that the main risks are identified, handled and recognised suitably.
 - (c) Ensure the independence and efficacy of the internal auditing function; propose the selection, appointment, re-election and removal of the head of the internal auditing service; propose the budget of the service; receive periodical information on its activities; and verify that the senior executive team takes into account the conclusions and recommendations of their reports.
 - (d) Establish and supervise a mechanism which enables the employees to communicate confidentially and, if deemed appropriate, anonymously, any irregularities of potential transcendence, especially financial and accounts information, which they might notice within the Company.
- In relation to the external auditor:
 - (a) Raise before the Board the proposals of the selection, appointment, re-election and replacement of the external auditor, as well as the conditions of their contracts.
 - (b) Receive regularly from the external auditor information regarding the auditing plan and the results of the execution thereof, and verify that the senior executive team takes into account its recommendations.

- (c) Ensure the independence of the external auditor and, to such end: (i) that the Company informs as a relevant event to the CNMV any change in auditor and accompanies this with a statement regarding the possible existence of disagreements with the outgoing auditor and, should these have existed, of their content; (ii) that it is ensured that the Company and the auditor respect prevailing norms on the provision of services other than those on auditing and, in general, all other established norms in order to ensure the independence of the auditors; and (iii) that in the event of the resignation of the external auditor, that it examines the circumstances giving rise thereto.
- (d) In the case of groups, encourage the auditor of the Group to assume responsibility for the auditing of the companies comprising it.
- In relation to policy and risk management:
 - (a) Identify the various different types of risk (operational, technological, financial, legal, reputation-related) which the Company faces, including the financial or economic, contingent liabilities and other risks beyond the balance sheet.
 - (b) Identify the establishing of the level of risk the Company considers acceptable.
 - (c) Identify the measures envisaged in order to mitigate the impact of the risks identified, should they materialise.
 - (d) Identify the information and internal control systems to be used to control and manage said risks, including contingent liabilities and other risks beyond the balance sheet.
- In relation to the obligations inherent in listed companies:

Inform the Board of Directors, prior to the latter adopting the corresponding decisions regarding:

- (a) The financial information which, due to it being listed, the Company must make public periodically. The Audit Committee must ensure the interim accounts are prepared using the same accounting criteria as the annual accounts and, to such end, consider the appropriateness of a limited review of the external auditor.
- (b) The creation or acquisition of participations in special purpose entities or those domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, might be detrimental to the transparency of the Group.
- (c) Any connected operations, unless this duty of prior reporting has been attributed to another Committee for supervision and control.
- (d) Any operations that involve or may involve conflicts of interest.

The Audit Committee shall be held accountable for its activities and be answerable for its work at the first plenary meeting of the Board of Directors that is held after it has met. The Audit Committee shall likewise keep minutes of its meetings, a copy of which must be sent to all of the members of the Board. The Audit Committee shall draw up an annual report, in which it shall highlight the main incidents that have occurred, if any, in relation to the performance of its normal duties. Furthermore, whenever the Audit Committee deems fit, it shall include proposals in its report to improve the Company's governance regulations. The Audit Committee's report shall be attached to the Company's annual report on corporate governance and shall be made available to shareholders and investors on the Company's website.

Appointments and Remuneration Committee:

An Appointments and Remuneration Committee has also been set up within the Board of Directors. It is made up of a minimum of three external directors, the majority of whom are independent and who are appointed by the Board of Directors.

The Appointments and Remuneration Committee, notwithstanding any other duties which might be assigned to it by the Board of Directors, will carry out the following basic duties:

- Formulate and review the criteria to be followed for the composition of the management team of the Company and its subsidiaries and for the selection of candidates.
- Evaluate the competence, knowledge and experience necessary on the Board, define, as a result, the duties and aptitudes necessary in the candidates to cover each vacancy, and evaluate the time and dedication needed in order for them to carry out their duties properly.
- Inform, and raise before, the Board of Directors of the appointments and removals of senior executives and managers that the chief executive proposes, in order for the Board to appoint them.
- Inform the Board on matters of gender diversification and qualifications of directors, as set forth in article 6.2 of the Board of Directors' Regulations.
- It will propose to the Board of Directors: (i) the remuneration policy for the directors and senior executives; (ii) the individual remuneration of the senior executives and any other conditions of their agreements; (iii) the contract policies and basic conditions of the senior executives agreements of the Company.
- Examine or organise, so that it is suitably understood, the succession of the Chairman and of the chief executive and, where applicable, make proposals to the Board so that such succession takes place in an orderly, well-planned manner.
- Ensure the observance of the payment policy established by the Company and the transparency of payments.

The Committee must give an account of its activity and be answerable for the work carried out before the first plenary session of the Board of Directors subsequent to its meetings. Furthermore, the Committee must record Minutes of its meetings, of which it will send copies to all members of the Board.

The Committee must consult the Chairman and chief executive of the Company, especially when dealing with matters relating to the executive directors and senior executives.

The Board of Directors must discuss the proposals and reports presented to it by the Committee.

B.2.4. State, if applicable, the advisory powers and, if applicable, powers that have been delegated to each of the committees: SEE THE ABOVE POINT

B.2.5. State, if applicable, whether there are regulations to which the Board's committees are subject, and if so, where they are available for consultation and any amendments made to them during the financial year. Likewise, state whether any non-mandatory annual reports have been issued concerning the activities of each committee.

The Committees are subject to the Regulations for Boards of Directors that are published by the CNMV and that can also be found on the Company's website.

The Company voluntarily compiled two separate annual reports on the Audit Committee and on the Appointments and Remuneration Committee.

B.2.6. State whether the make-up of the executive committee reflects the Board Member's responsibilities according to their posts:

Yes.

C TRANSFER PRICING

C.1 State whether subsequent to a favourable report by the Audit Committee or any other body entrusted to draw one up, the Board reserves the right to approve the transactions that the Company carries out with its directors, significant shareholders or shareholders represented by the Board, or individuals related to them at its plenary sessions:

☒ Yes

☐ No

C.2 Describe any relevant transactions that entail a transfer of resources or obligations between the Company or its subsidiaries, and the Company's significant shareholders:

Name or company name of the significant shareholder	Name or company name of the company or organisation in the group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
BOYSER, S.L.	ASTRAL ITALIA, SPA	Commercial	Purchases	667
BOYSER, S.L.	ASTRAL PISCINE, S.AS	Commercial	Purchases	852
	ASTRAL POOL ESPAÑA, SAUGrupo Fluidra			
BOYSER, S.L.	Fluidra	Commercial	Purchases	2320
BOYSER, S.L.	ECA SARLGrupo Fluidra	Contractual	Purchases of assets	1710
BOYSER, S.L.	PROHOGAR SL	Commercial	Sale of Fixed Assets	2300
		Dispur Edrem		
		Aniol through Constralsa	Intangibles and other assets	

- We reported the transactions with related organisations that were of a significant amount (above 0.1% of the sale of merchandise and finished products: approximately €650,000).
- The sale of fixed assets corresponded to the sale of four properties (three in Spain and one in France) for a sale price of €6,150,000 at market conditions, and for which the Group made a profit of €3,691,000.
- The transaction listed as Other Expenses for a total of €750,000 corresponds to the purchase of part of a transferred business' client portfolio.

C.3 Describe any relevant transactions that entail a transfer of resources or obligations between the Company or its subsidiaries, and the Company's administrators or directors:

Name or company name of the administrators or directors	Name or company name of the company or organisation in the group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
BANC SABADELL INVERSIÓ I DESENVOLUPAMENT, S.L	Fluidra	Contractual	Delegate Committee Remuneration	28
BANC SABADELL INVERSIÓ I DESENVOLUPAMENT, S.L	Fluidra	Contractual	Rendered services	70
BERNAT CORBERA SERRA	Fluidra	Contractual	Rendered services	70
		Delegate Committee		
BERNAT CORBERA SERRA	Fluidra	Remuneration	Other expenses	20
		Delegate Committee		
BERNAT GARRIGOS CASTRO	Fluidra	Remuneration	Other expenses	18
BERNAT GARRIGOS CASTRO	Fluidra	Contractual	Rendered services	70
		Delegate Committee		
ELOY PLANES CORTS	Fluidra	CEO		
		Remuneration	Other expenses	260
ELOY PLANES CORTS	Fluidra	Contractual	Other expenses	70
JUAN IGNACIO ACHA-ORBEA	Fluidra	Contractual		
ECHEVERRÍA	Fluidra	Contractual	Rendered services	70
JUAN IGNACIO ACHA-ORBEA	Fluidra	Delegate	Other expenses	28

ECHEVERRIA		Committee Remuneration		
JUAN PLANES VILA	Fluidra	Contractual	Rendered services	106
JUAN PLANES VILA	Fluidra	Delegate Committee		
KAM SON LEONG	Fluidra	Remuneration	Other expenses	8
OSCAR SERRA DUFFO	Fluidra	Contractual	Rendered services	80
OSCAR SERRA DUFFO	Fluidra	Contractual	Rendered services	70
OSCAR SERRA DUFFO	Fluidra	Delegate Committee		
RICHARD J CATHCART	Fluidra	Remuneration	Other expenses	20
RICHARD J CATHCART	Fluidra	Delegate		
RICHARD J CATHCART	Fluidra	Committee	Other expenses	8
		Contractual	Services reception	80

C.4 Describe any relevant transactions that the Company performed with other companies belonging to the group, provided they are not cancelled out in the consolidated financial statements and that they do not form part of the Company's normal scope of business operations:

Company name of the organisation in the group	Brief description of the transaction	Amount (thousands of euros)
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C.5 State, if applicable, any circumstances in which company directors were involved that may constitute a conflict of interest, pursuant to the provisions of Article 127.3 of the Limited Companies Act.

☐ Yes

☒ No

- To be consistent with the information stated in the paragraph C.2 above this paragraph does not report transactions that do not exceed significant amounts (i.e. above 0.1% of the sale of merchandise and finished products: approximately €650,000).

Name or company name of the director	Description of the circumstance of the conflict of interest
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Pending the completion of the notification and acknowledgement of receipt process.

C.6 Describe the mechanisms in place to detect, determine and resolve possible conflicts of interest between the Company and/or its group and its directors, managers and significant shareholders.

. In accordance with the provisions in the Regulations of the Board of Directors, members must notify the Board of Directors of any cases of conflict of interest and refrain from attending or intervening in deliberations that affect affairs in which they may have a personal interest.

It is also considered that a director has a personal interest when a matter affects any of the following individuals: spouse or person with whom there is a similar relationship; ascendants, descendents and siblings and their respective spouses or persons with whom there is a similar relationship; and individuals, companies or organisations over which any of the persons mentioned above may have a significant influence.

In the case of directors that are corporate entities, it shall be understood that they are individuals related to the following: shareholders who find themselves in any of the situations

described in Article 4 of Act 24/1988 on Stock Markets, of 28 July; de facto or de jure directors, receivers and proxies with general power of attorney for directors who are corporate entities; the companies and their shareholders that belong to the group, as defined in Article 4 of Act 24/1988 on Stock Markets, of 28 July; the individuals that are considered to be related to proxies and directors that are corporate entities. The Directors may not use the Company's name or act in their capacity as Directors to carry out transactions on their own behalf or for related individuals.

Directors may not directly or indirectly carry out professional or trading transactions with the Company unless prior notice has been given of a possible conflict of interest and the Board approves the transaction.

Transactions that are part of the Company's ordinary business and that are of a habitual and recurring nature may be carried out providing the Board of Directors has issued a general authorisation to do so.

In accordance with Article 10 of the Internal Regulations on Conduct, the following is set out with regard to conflicts of interest:

Liable Individuals subject to conflicts of interest must abide by the following general principles of conduct:

Independence: Liable Individuals must at all times act fairly and loyally to the Company and its shareholders, regardless of their own interests or those of third parties. Therefore, they shall abstain from placing their own interests before those of the Company or other investors at the expense of others.

Abstention: They must abstain from intervening in or influencing any decisions taken that may affect individuals or organisations with which there are conflicts of interest and from accessing any Relevant Information that may have a bearing on such conflicts.

Notification: Liable Individuals must notify the Director of the Company's Legal Department of any possible conflicts of interest to which they may be subject as a result of their activities outside the Company, their family ties, their personal assets, or any other interests they may have in:

- (i) The Company or any of the companies that belong to the Fluidra Group.
- (ii) The suppliers or major customers of the Company or any of the companies that belong to the Fluidra Group.
- (iii) Organisations that are devoted to the same line of business or that are competitors of the Company or any of the companies that belong to the Fluidra Group.

Any doubts as to a possible conflict of interest must be addressed to the Director of the Company's Legal Department and the final decision will rest with the Audit Committee.

A conflict of interest arises if Liable Individuals fulfil any of the following conditions with regard to the organisations mentioned in this article.

- (i) They are directors or senior managers.
- (ii) They have a significant shareholding (the latter being understood, in the case of listed companies on any official secondary market in Spain or abroad, as that defined in article 53 of the LMV (Stock Exchange Act) and any other legislation that may apply, and in the case of unlisted Spanish or foreign companies, any direct or indirect holding over and above twenty per cent of the equity issued).
- (iii) They have a family tie to the second degree of affinity or to the third degree by blood with the directors, significant shareholders or senior managers.
- (iv) They have a relevant contractual relationship, either directly or indirectly.

C.7. Is more than one of the Group's companies listed in Spain?

YES

NO X

D

RISK CONTROL SYSTEMS**D.1 General description of the risk policy of the company and/or its group. Provide details and assess the risks covered by the system. Justify the adequacy of these systems with regard to the profile of each kind of risk.**

During the tax year, the Company has carried out a study to identify and assess the Group's business risks in view of its activity and the current climate. The controls associated with these risks were also subject to the same study.

The risk assessment took into consideration the strategic, financial, operational and unforeseeable risks. The business' main risks were identified and they have been arranged in order of priority according to the probability of their actually occurring and the impact or effects they may have on the Company. The controls the Company has in place to monitor these risks were likewise assessed and those that should be strengthened to improve its risk profile were identified. Based on this study, a risk map was drawn up.

In 2009, work will continue to study the measures anticipated to mitigate the impact of risks should they arise and to identify the information and internal control systems that monitor and manage these risks, the contingent liabilities and/or off-balance sheet risks. The aim will be to identify the improvements made to these measures and the controls intended to improve existing risk management practices so that they become more effective and more efficient. The Company will pay particular attention to the risks classified as high and/or those with weak control mechanisms.

However, as an objective for 2008, work will continue on the development of a Risk Policy and on the definition of systems for controlling them. Likewise, acceptable risk levels and measures to mitigate risks in the event of their materialising will be established.

D.2 State whether any of the different types of risks have materialised (operational, technological, financial, legal, reputation, tax, etc.) that affect the company and/or its group:☐ Yes☒ No

If affirmative, state the circumstances that have given rise to these and whether the control systems established have worked.

Risk materialised in the financial year	Circumstances that gave rise to it	Operation of the control systems
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D.3 State whether there is any committee or other governing body responsible for establishing and monitoring these control devices:☒ Yes☐ No

If affirmative, detail what their duties are.

Name of the committee or body:

Audit Committee

Description of duties:

The responsibilities that arise from the Company's risk management control mechanism are as follows:

- Related to risk policies and management:
 - Identifying the various types of risk (operational, technological, financial, legal, reputational) that the Company faces, including contingent liabilities and other off-balance sheet risks.

- Identifying the set level of risk that the Company considers acceptable.
- Identifying the measures foreseen to mitigate the impact of the risks identified should they actually arise.
- Identifying the information and internal control systems that monitor and manage these risks, including contingent liabilities and off-balance sheet risks.
- Related to the obligations of a listed company:
 - Giving the Board prior notice that it should adopt the corresponding decision on transfer pricing operations and any transactions that involve or may involve a conflict of interest.

Name of the committee or body:

Body Responsible for the Fulfilment of Regulations

Description of duties:

- Fulfilment of regulations on obligations as a listed company
- Management of risks derived from the listing

D.4 Identification and description of the processes to comply with the various regulations that affect the company and/or its group.

On the date of issue of this report, no incidents had been detected and most critical processes had been implemented. Critical processes are understood to mean all those that have a significant bearing on the Company.

The processes are described in detail in the Regulations of the General Shareholders' Meeting, the Regulations of the Board of Directors and the Internal Regulations on Conduct, about which comments have been made in Section B of this report.

GENERAL SHAREHOLDERS MEETING**E.1 State, and if applicable describe, whether the quorum required to hold a General Shareholders' Meeting differs in any way to the provisions set out in the Limited Companies Act (LSA).**

YES

☒ NO

	Difference in % of the quorum compared to Art. 102 of the LSA for general budget meetings	Difference in % of the quorum compared to Art. 103 of the LAS for special budget meetings
Quorum required for the 1 st call	N/A	N/A
Quorum required for the 2 nd call	N/A	N/A

Description of differences

NOT APPLICABLE

E.2 Explain the system for adopting corporate resolutions. Describe any differences with regard to the system provided for in the Limited Companies Act (LSA):

YES

☒ NO

Describe how the system differs to that in the LSA.

	Different supermajority to that provided for in Art. 103.2 of the LSA	Other instances of a supermajority
% established by the organisation for adopting agreements		
Describe the differences		

E.3 List any of the shareholders' rights at general meetings that are different to those provided for in the LSA.

N/A

E.4 If applicable, state the measures adopted to encourage shareholders to attend the general meetings.

N/A

E.5 State whether the post of chairman for the General Shareholders' Meeting is held by the Chairman of the Board of Directors. If applicable, provide details about the measures in place to insure the objectivity and smooth running of the General Meeting:

☒ YES

NO

Describe the measures
<p>According to Article 16 of the Regulations of the General Shareholders' Meeting, it shall be chaired by the chairman of the Board of Directors or, in his absence, by the Vice-chairman, and in the absences of both, by a member of the Board of Directors that the General Meeting designates.</p> <p>Measures for guaranteeing the objectivity and smooth running of the General Meeting:</p> <p>The Regulations of the General Shareholders' Meeting were approved at the meeting held on September 5th 2007. A set of measures were included in these regulations to ensure the objectivity and smooth running of General Meetings.</p> <p>These Regulations are available on the Company's website.</p>

E.6 Describe, if any, the amendments made over the year to the regulations that govern General Shareholders' Meetings.

N/A

E.7 Provide attendance figures for the general meetings held over the year to which this report refers:

	Attendance figures				
Date of General Meeting	% physically present	% by proxy	% Distance voting		Total
			Electronic votes	Other	
12-01-07	100%				
12-04-07	100%				
09-05-07	100%				
30-06-07	100%				
05-09-07	100%				
27-09-07	100%				

N/A

E.8 Give a brief description of the agreements adopted at the general shareholders' meetings held over the year to which this report refers and the percentage of votes cast for the adoption of each vote.

Point One: Review and approval, if required, of the annual accounts and the management report, both of the Company and its consolidated group of companies, corresponding to the tax year that closed on 31 December 2007.

Point Two: Distribution of profits from the year ending as at December thirty-first two thousand and seven.

Point Three: Review and approval, if required, of the Board of Director's management strategy over the two thousand and seven tax year.

Point Four: Re-election of the accounts auditor, both of the Company and its consolidated group of companies.

Point Five: Pursuant to article 75 and related regulations in the Public Limited Companies Act, authorisation has been given for the Company to proceed with the share buyback scheme, either directly or through companies in the group. As a result, the authorisations approved by the General Meeting on September fifth two thousand and seven is rendered null and void and, if applicable, authorisation is granted to use treasury stock for the execution or cover of compensation plans.

Point Six: Presentation of the report on the Remuneration Policy for directors

Point Seven: Granting of powers of attorney to enter into, interpret, amend and execute the agreements adopted by the General Shareholders Meeting.

All the agreements were passed with the quorum of the 100% of the shareholders present or represented in the meeting.

E.9 State whether any of the articles of association set out a minimum number of shares as a requirement to attend the General Shareholders' Meeting:

Negative reply

No. of shares required to attend a General Meeting	Minimum of one share
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E.10 Describe and justify the policies followed by the Company with regard to voting by proxy at the General Shareholders' Meeting.

All shareholders who are entitled to attend General Meetings may vote by a proxy, who does not necessarily have to be a shareholder, at the General Meetings. Votes cast by proxy must be done so in accordance with the requisites and formalities set out in the law, in Article 29 of the Articles of Association and in Article 12 of the Regulations of the General Shareholders' Meeting.

All votes cast by proxy shall be certified by means of the attendance card or a letter, which in both cases must bear the original signature of the person represented. The document that certifies voting by proxy must contain the following information: the date of the General Meeting and its agenda, the identity of the person represented and the proxy (in the case that no proxy is specified, it shall be understood that voting rights have been granted to either the chairman of the Board of Directors, the managing director or the secretary of the Board of Directors), the number of shares the shareholder has and instructions as to how the proxy should vote for each of the items that are on the agenda.

Should public requests be made to be represented by proxy, in addition to the items mentioned in the paragraph above, the document that designates the proxy must contain an indication as to how the proxy should vote if precise instructions are not provided.

Voting by Proxy may also be granted via the following means of distance communication:

- (i) In writing by post, by sending the Company an attendance card and the vote that must have been obtained from and issued by the organisation or organisations responsible for recording the entry of shares in the corresponding register. Such votes must be duly signed and filled out. Other written means may be used that is approved by the Board of Directors, and that prior permission to so has been obtained. If such other means are used, it must be possible to check the identity of the shareholder who votes by proxy in this way.
- (ii) By other electronic distance means of communication, providing the electronic document that is used to vote by proxy has an electronic signature that is legally recognised, or any other type of electronic signature that the Board of Directors is willing to accept. Prior permission must have been obtained to vote in this manner as proper guarantees must be ensured on the authenticity and identification of the shareholder who votes by proxy in this way.

Proxy voting that is granted by means of distance communication must reach the Company before midnight on the day prior to which it has been arranged for the first call of the General Shareholders' Meeting to be held.

E. 11 State whether or not the Company is aware any policies of institutional investors to participate or in Company decisions:

Negative reply

E.12 State the address and access route to the contents the corporate governance regulations of your Website.

www.fluidra.com

Go to the SHAREHOLDERS AND INVESTORS section and a CORPORATE GOVERNANCE submenu will appear.

F	DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS
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Indicate the company's degree of compliance with the recommendations given in the unified code of good governance.

In the event of failure to comply with any such recommendations, explain the recommendations, standards, practices or criteria applied by the company.

1. The articles of association of listed companies should not limit the maximum number of votes that can be issued by the same shareholder or contain other restrictions that prevent the company from being taken over through the purchase of its shares on the market.

See epigraphs: A.9 , B.1.22, B.1.23 and E.1, E.2.

Complies x Explain |

2. When the parent company and the subsidiary are listed, they must both publicly define the following in detail:

a) Their respective activity areas and possible business relations between them, as well as those of the listed subsidiary with the other companies in the group;

b) The mechanisms laid down to solve possible conflicts of interests as they arise.

See epigraphs: C.4 and C.7

Complies | Complies partially | Explain | Not applicable x

3. Although it is not expressly required in mercantile legislation, they should submit the transactions that involve a modification to the company's structure for approval by the General Shareholders Meeting, especially the following:

a) The change of listed companies into holding companies through "subsidiarisation" or the incorporation into entities dependent on essential activities carried out until then by the company itself, even though the said company maintains full control over them;

b) The acquisition or transfer of essential operating assets when there is an actual modification of the corporate purpose;

c) The transactions whose effect is equivalent to that of the company's liquidation.

Complies x Complies partially | Explain |

4. The detailed proposals of the agreements to be adopted by the General Shareholders Meeting, including the information referred to in recommendation 28, should be published with the publication of the announcement of the call to the meeting.

Complies x Explain |

5. In the General Shareholders Meeting, the matters that are substantially independent must be voted separately so that shareholders can exercise their voting preferences separately. And the said rule should be applied, in particular:

a) On the appointment or ratification of the members of the board, which should be voted individually;

b) In the case of modifications to the articles of association, each article or group of articles that is substantially independent.

See epigraph: E.8

Complies x Complies partially | Explain |

6. The companies should allow the division of the vote so that the financial brokers legitimated as shareholders but acting on behalf of different clients can issue their votes in accordance with the instructions given by the said clients.

See epigraph: E.4

Complies x Explain |

7. The board should carry out its functions on the basis of a unified purpose and independence, giving the same treatment to all the shareholders and following the company's interest, understood as maximising the company's economic value in a sustained manner.

It should also ensure that, in its relations with the stakeholders, the company observes legislation and regulations; fulfils its duties and contracts in good faith; observes the uses and good practices of the sectors and territories in which it operates; and observes the additional principles of corporate liability it has voluntarily accepted.

Complies x Complies partially | Explain |

8. As the core of its mission, the board should adopt the company's strategy and the organisation required for its implementation, as well as supervising and controlling the management's fulfilment of targets and observance of the company's corporate interest and purpose. Accordingly, in its plenary session, the board reserves the power to adopt the following:

a) The company's general strategies and policies, in particular:

i) The strategic or business plan, as well as management targets and annual budgets;

ii) The investment and finance policy;

iii) The definition of the structure of the group of companies;

iv) The corporate governance policy;

v) The corporate liability policy;

vi) The salary policy and appraisal of senior management performance;

vii) The risk management and control policy, as well as the regular monitoring of internal information and control systems.

viii) The dividend policy, as well as the treasury stock policy and, in particular, its limits.

See epigraphs: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

i) On the proposal of the company's chief executive, the appointment and removal of senior managers, as well as their severance clauses.

See epigraph: B.1.14.

ii) The salaries for the members of the board, as well as, in the case of executives, the additional payment for their executive functions and other conditions to be observed in their contracts.

See epigraph: B.1.14.

iii) The financial information which, due to its status as a listed company, it has to publish on a regular basis.

iv) The investments or transactions of all kinds which, owing to their high amount or special characteristics, are of a strategic nature, unless their approval corresponds to the General Shareholders Meeting;

v) The creation or acquisition of shares in entities with special purposes or domiciled in countries or territories that are considered as tax havens, as well as whatsoever other similar transaction or operation which, owing to its complexity, could undermine the group's transparency.

c) The transactions completed by the company with members of the board, important shareholders or shareholders represented on the board or with related individuals ("related transactions").

However, this authorisation by the board should not be considered necessary for the related transactions that meet the following three conditions:

1. They are carried out by virtue of contracts whose terms and conditions are standardised and applied generally to many clients;
2. They are carried out at prices or rates generally established by the person acting as the supplier of the good or service in question;
3. Their amount does not exceed 1% of the company's annual revenue.

It is recommended that the board should approve the related transactions after a favourable report has been issued by the Audit Committee or, where applicable, any other party to which that function has been commissioned; and, besides not exercising or delegating their right to vote, the members of the board who are affected should leave the meeting room while the board deliberates and votes on the matter.

It is recommended that it should not be possible to delegate the powers attributed to the board here, except for those mentioned in paragraphs b) and c), which may be adopted in emergencies by the Delegate Commission and subsequently ratified by the board in its plenary session.

See epigraphs: C.1 and C.6

Complies x Complies partially | Explain |

9. The board should have the necessary size for effective, participatory operation, which means that it should not have fewer than five or more than fifteen members.

See epigraph: B.1.1

Complies x Explain |

10. The external directors representing controlling shareholders and independent directors should represent a broad majority of the Board and the number of executive directors should be the required minimum, taking into account the complexity of the corporate group and the percentage of interest of the executive directors in the company's capital.

See epigraphs: A.2, A.3, B.1.3 and B.1.14.

Complies x Complies partially | Explain |

11. If there is an external director who cannot be considered as either an external director representing controlling shareholders or an independent director, the company should explain the said circumstance and his association either with the company or its managers, as well as with its shareholders.

See epigraph: B.1.3

Complies x Explain | Not applicable |

12. Among the external directors, the ratio between the number of external directors representing controlling shareholders and the independent directors should reflect the proportion between the company's share capital represented by the external directors representing controlling shareholders and the rest of the share capital.

This criterion of strict proportionality could be reduced as the weight of the external directors representing controlling shareholders is greater than that which would correspond to the total percentage of the share capital they represent:

1. In companies with a high level of capitalisation, when the shares that are legally considered as significant are zero or low-level, but where shareholders exist, with blocks of shares of high absolute value.

2. When it is a question of companies in which there is a plurality of shareholders represented on the Board who are not related between them.

See epigraphs: B.1.3 , A.2 and A.3

Complies x Explain |

13. The number of independent directors should represent at least one third of the total number of directors.

See epigraph: B.1.3

Complies x Explain |

14. The nature of each director must be explained by the Board before the General Shareholders Meeting that is to carry out or ratify his appointment, which should be confirmed or reviewed annually, as appropriate, in the annual report on corporate governance, with prior confirmation by the Appointments Committee. The said report should also explain the reasons why external directors representing controlling shareholders have been appointed at the request of shareholders whose holding is less than 5% of the share capital; and reasons should be given for the rejection, where applicable, of formal requests

for presence on the Board from shareholders whose holding is equal to or higher than that of others at whose request external directors representing controlling shareholders have been appointed.

See epigraphs: **B.1.3 and B.1.4**

Complies x Complies partially | Explain |

15. When the number of female directors is zero or almost zero, the board should explain the reasons and the initiatives adopted to correct the said situation; in particular, the Appointments Committee should ensure that, when new vacancies arise:

a) The selection process does not involve implicit bias that prevents the selection of female directors

b) The company should deliberately look for and include among potential candidates women that comply with the professional profile being sought.

See epigraphs: **B.1.2, B.1.27 and B.2.3.**

Complies x Complies partially Explain | Not applicable |

No gender discrimination practices are carried out. The directors are chosen according to the opportunities that arise among external directors representing controlling shareholders and according to professional experience in the case of independent shareholders. It has been planned to deal with this issue in 2008.

16. As the person responsible for the effective operation of the Board, the Chairman should ensure that the directors receive sufficient information beforehand; stimulate debate and the active participation of the directors during the board's sessions, safeguarding his free standpoint and opinion; and organise and coordinate with the chairmen of the relevant commissions the regular assessment of the board, as well as that of the CEO or chief executive, where applicable.

See epigraph: **B.1.42**

Complies x Complies partially | Explain |

17. When the Chairman of the Board is also the company's chief executive, one of the independent directors should be empowered to request the call to meeting of the Board or the inclusion of new matters on the agenda; coordinate and echo the concerns of the external directors; and direct the Board's assessment of its Chairman.

See epigraph: **B.1.21**

Complies | Complies partially | Explain | Not applicable x

18. The Secretary of the Board should make sure, in particular, that the board's actions:

a) Comply with the content and spirit of legislation and the corresponding regulations, including those adopted by the regulating bodies;

b) Comply with the company's articles of association and with the regulations of the General Shareholders Meeting, the Board and other company regulations;

c) Take into account the recommendations on good governance laid down in the unified code accepted by the company.

And, in order to safeguard the Secretary's independence, impartiality and professionalism, his appointment and removal must be reported by the Appointments Committee and approved by the Board in its plenary session; and the said appointment and dismissal procedure must be laid down in the Board regulations.

See epigraph: B.1.34

Complies x Complies partially | Explain |

19. The board should meet as regularly as necessary to carry out its functions effectively, following the schedule of dates and business laid down at the beginning of the year, where each director may propose other business for the agenda not considered initially.

See epigraph: B.1.29

Complies x Complies partially | Explain |

20. The non-attendance of the directors should be reduced to essential cases and quantified in the annual corporate governance report. And if representation is essential, it must be designated with instructions.

See epigraphs: B.1.28 and B.1.30

Complies x Complies partially | Explain |

21. When the directors or the Secretary express concern for any proposal or, in the case of the directors, for the company's progress and the said concern is not resolved by the board, it should be recorded in the minutes of the meeting at the request of the person expressing the said concern.

Complies x Complies partially | Explain | Not applicable |

22. In its plenary session, the board should assess the following once a year:

- a) The quality and efficiency of the board's operations;
- b) Based on the report issued by the Appointments Committee, the functions carried out by the Chairman of the Board and the company's chief executive;
- c) The running of its Committees, based on the reports they issue.

See epigraph: B.1.19

Complies x Complies partially | Explain |

23. All the directors should be able to exercise the right to compile any additional information they consider necessary on business that falls within the remit of the Board. And, unless the articles of association or the regulations of the board lay down otherwise, they should address their requirement to the chairman or secretary of the board.

See epigraph: B.1.42

Complies x Explain |

24. All the directors have the right to obtain the advice they need for the fulfilment of their functions from the company. The company should lay down the appropriate ways of

exercising this right, which, under special circumstances, could include external advisory services on the company's account.

See epigraph: B.1.41

Complies x Explain |

25. The company should establish a guidance programme to provide new directors with rapid and sufficient knowledge of the company, as well as its rules on corporate governance. They should also offer directors programmes for updating their knowledge when circumstances so recommend.

Complies x Complies partially | Explain |

26. The company should require the directors to devote the time and effort necessary for carrying out their function effectively and, consequently:

- a) The directors should report to the Appointments Committee on their other professional duties in case they interfere with the required devotion;
- b) The companies should lay down rules on the number of boards on which their directors can sit.

See epigraphs: B.1.8, B.1.9 and B.1.17

Complies x Complies partially | Explain |

27. The proposal for the appointment or re-election of directors raised by the Board to the General Shareholders Meeting, as well as their provisional appointment by co-optation, should be approved by the board:

- a) At the proposal of the Appointments Committee, in the case of independent directors.
- b) After a report issued by the Appointments Committee, in the case of the other directors.

See epigraph: B.1.2

Complies x Complies partially | Explain |

28. The companies should publish the following information about their directors on their website and keep the said information up-to-date:

- a) Professional and biographical profile
- b) Other boards on which they sit, whether the companies are listed or not;
- c) Indication of the category of director to which they belong, where applicable, indicating, in the case of the external directors representing controlling shareholders, the shareholder they represent or with whom they are related.
- d) Date of their first appointment as a director of the company, as well as of the subsequent appointments; and
- e) The shares they own in the company and the stock options over the said shares.

x Complies □ Explain

29. The independent directors should not remain as such for a continued term of more than 12 years.

See epigraph: **B.1.2**

Complies x Explain |

30. The external directors representing controlling shareholders should present their resignation when the shareholder they represent sells all his shares in the company. They should also present their resignation, in the corresponding number, when the said shareholder lowers his shares in the company to a level that requires a reduction in the number of his external directors representing controlling shareholders.

See epigraphs: **A.2, A.3 and B.1.2**

Complies x Complies partially | Explain |

31. The Board of Directors should not propose the removal of any independent director before the fulfilment of the statutory term for which he has been appointed, except when there is just cause, understood as such by the Board after a report issued by the Appointments Committee. In particular, just cause shall be understood as applicable when the director is in breach of the duties inherent to his post or has entered into any of the circumstances laid down in epigraph 5 of section III on definitions in this code.

The removal of independent directors resulting from takeover bids, mergers or other similar corporate transactions that represent a change to the company's share capital structure could be proposed when the said changes to the structure of the board are brought about by the criterion of proportionality indicated in Recommendation 12.

See epigraphs: **B.1.2, B.1.5 and B.1.26**

Complies x Explain |

32. The company should establish rules that oblige the directors to report and, where applicable, resign in cases that can damage the company's reputation and credit and, in particular, oblige them to inform the board of the criminal cases in which they appear as an accused party, as well as their subsequent procedural events.

If a director is tried or a sentence is issued against him for the commencement of a hearing for any of the crimes laid down in article 124 of the Spanish Public Limited Companies Act, the Board should examine the case as soon as possible and, in view of the specific circumstances, decide whether or not it is fitting for the director to continue in his post. And, the Board should give a reasoned account of all the events in the Annual Corporate Governance report.

See epigraphs: **B.1.43, B.1.44**

Complies x Complies partially | Explain |

33. All the directors should clearly express their opposition when they consider that any proposed decision submitted to the Board may be contrary to the company's interests. And this should apply especially to the independent directors and other directors not affected by the potential conflict of interest in the case of decisions that may damage the shareholders not represented on the Board.

When the Board adopts significant or reiterated decisions on which the director has formulated serious reservations, the said director should draw the corresponding conclusions and, if he decides to resign, explain the reasons in the letter referred to in the following recommendation.

The scope of this recommendation also includes the Secretary of the Board, even though he does not have the status of director.

Complies x Complies partially | Explain | Not applicable |

34. When, either due to resignation or any other reason, a director abandons his post before the end of his mandate, he should explain the reasons in a letter sent to all the members of the Board. And, without prejudice to the said resignation being notified as a relevant event, the reason for the resignation should be accounted for in the Annual Corporate Governance report.

See epigraph: B.1.5

Complies | Complies partially X Explain | Not applicable |

According to internal standards, there is no obligation to include the reason for the resignation in the Annual Report.

35. The salary policy approved by the Board should indicate at least the following:

- a) The amount of the fixed components, with a breakdown, where applicable, of the expenses for participation in the board and its commissions and an estimate of the annual fixed salary resulting therefrom;
- b) Variable salary concepts, including, in particular:
 - i) Classes of directors to which they are applied, as well as an explanation of the relative importance of the variable salary concepts with regard to the fixed salary concepts.
 - ii) Results assessment criteria on which any right to payment in shares, stock options or any variable component is based;
 - iii) Fundamental parameters and basis of any annual premium system (bonus) or other benefits not paid in cash; and
 - iv) An estimate of the absolute amount of the variable salary payments arising from the proposed salary plan in accordance with the level of fulfilment of the hypotheses or objectives taken as reference.
- c) Main characteristics of the company pension plans (e.g. top-up schemes, life insurance policies and similar), with an estimate of their amount or equivalent annual cost.
- d) Conditions to be observed in the contracts of those who exercise senior management functions as executive directors including:
 - i) Term;
 - ii) Terms of notice; and
 - iii) Any other clauses related to contracting premiums, such as severance payments or golden parachutes for early termination or cancellation of the contractual relations between the company and the executive director.

See epigraph: B.1.15

Complies x Complies partially | Explain |

36. The payments made through shares in the company or companies in the group, stock options or instruments referenced to the value of the share, variable payments associated with the company's performance or company pension plans should be limited to the executive directors.

This recommendation will not cover the provision of shares when it is conditioned to the directors maintaining them until their resignation as a director.

See epigraphs: A.3, B.1.3

Complies x Explain |

37. The salary payments of the external directors must be the amount necessary for compensating the devotion, qualification and responsibility required by the post; but not so high as to compromise their independence.

Complies x Explain |

38. The salary payments related to the company's results should take into account the possible exceptions included in the external auditor's report, which may reduce the said results.

Complies | Explain | Not applicable X

39. In the case of variable salary payments, the salary policies should incorporate the necessary technical precautionary measures to ensure that the said salary payments are related to the professional devotion of the beneficiaries and do not result simply from the general evolution of the markets or the company's activity sector or other similar circumstances.

Complies | Explain | Not applicable X

40. The Board should submit a report on the directors' salary policy to vote at the General Shareholders Meeting, as a separate, consultative matter on the agenda. The said report should be made available to the shareholders either separately or in any other way the company considers appropriate.

The said report should focus particularly on the salary policy approved by the Board for the present year, as well as, where applicable, the policies anticipated for future years. It shall include all the matters referred to in Recommendation 35, except for circumstances that may suppose the revelation of sensitive commercial information. It shall underline the most significant changes in the said policies with regard to that applied during the past year to which the General Shareholders Meeting refers. It shall also include an overall summary of how the salary policy was applied during the past year.

The Board should also report on the role played by the Remunerations Committee in the preparation of the salary policy and, if external consultancy services are used, on the identity of the external consultants providing the service.

See epigraph: B.1.16

Complies | Complies partially | Explain X

Not applicable last year. Applicable this year.

41. The Report should give details of the individual salaries paid to directors during the year and include:

- a) The individualised breakdown of the salary of each director, which shall include, where applicable:
- i) The allowances for attendance or other fixed payments as a director;
 - ii) The additional remuneration as chairman or member of one of the board's committees;
 - iii) Any payments for profit sharing or premiums and the reason why they were made;
 - iv) Contributions in the director's favour to fixed-contribution pension schemes; or the increase of the director's consolidated rights in the case of contributions to fixed-benefit plans;
 - v) Any severance payments agreed or paid in the case of the termination of his functions;
 - vi) The payments received as a director of other companies in the group;
 - vii) Payments for carrying out the senior-management functions of the executive directors;
 - viii) Any other salary concepts other than the above, regardless of their nature or the entity of the group making the payment, especially when they are considered as related transactions or their omission distorts the fair view of the total salary payments received by the director.
- b) The individualised breakdown of the shares, stock options or any other instrument referenced to the value of the share eventually awarded to directors, with details on the following:
- i) Number of shares or options awarded during the year and the terms and conditions of their exercise;
 - ii) Number of options exercised during the year, indicating the number of shares affected and the price of the exercise;
 - iii) Number of pending options at the end of the year, indicating their price, date and other exercise requirements;
 - iv) Whatsoever modification during the year to the conditions for exercising the options already awarded.
- c) Information about the ratio during the said past year between the salary obtained by the executive directors and the results or other measurements of the company's performance.

Complies x Complies partially | Explain

Not applicable last year. Applicable this year.

42. When there is a Delegate or Executive Committee (hereinafter called "Delegate Committee"), the participation structure of the various categories of directors should be similar to that of the Board itself and its secretary should be the Secretary of the Board.

See epigraphs: B.2.1 and B.2.6

Complies x Complies partially | Explain | Not applicable |

The Vice-secretary of the Board performs the duties of Secretary on the Delegate Committee.

43. The Board should always be aware of the matters dealt with and the decisions adopted by the Delegate Committee and all the members of the Board should receive a copy of the minutes of the meetings of the Delegate Committee.

Complies x Explain | Not applicable |

44. The Board of Directors should constitute not only the Audit Committee required by the Stock Exchange Act, but also one or two separate Committees: the Appointments Committee and the Remuneration Committee.

The rules governing the make-up and operation of the Audit Committee and the Appointments and Remuneration Committee or Committees should be recorded in the regulations of the Board and include the following:

a) The board should appoint the members of these Committees, bearing in mind the know-how, skills and experience of the directors and the missions of each Committee; it should deliberate on its proposals and report; and it should report on its activities and respond for the work carried out during the first plenary session of the Board after its meetings.

b) The said Committees should be made up exclusively of a minimum of three external directors. The above is understood as without prejudice to the attendance of executive directors or senior managers when so agreed expressly by the members of the Committee.

Their Chairmen should be independent directors.

d) They should be able to seek external consultancy services when they consider it necessary for their functions.

e) Minutes should be recorded of their meetings and a copy of the said minutes should be sent to all the members of the Board.

See epigraphs: B.2.1 and B.2.3

Complies x Complies partially | Explain |

45. The supervision of compliance with the internal code of conduct and the rules of corporate governance should be the responsibility of the Audit Committee, the Appointments Committee or, if they exist separately, the Corporate Governance or Fulfilment Committees.

x Complies □ Explain

46. The members of the Audit Committee and, in particular, its chairman should be appointed on the basis of their know-how and experience in bookkeeping, audits and risk management.

☒ Complies ☐ Explain

47. The listed companies should have an internal audit function which, under the supervision of the Audit Committee, should monitor the correct functioning of the internal control and information systems.

☒ Complies ☐ Explain

48. The person responsible for the internal audit function should present his annual work plan to the Audit Committee; he should inform it directly of the incidents occurring during its development; and, at the end of each year, submit an activities report.

☒ Complies ☐ Complies partially ☐ Explain

49. The risk management and control policies should identify at least:

a) The different types of risk (operative, technological, financial, legal, reputational, etc.) facing the company, where the financial or economic risks should include the contingent liabilities and other off-balance-sheet risks.

b) The level of risk considered acceptable by the company;

c) The measures laid down to reduce the impact of the risks that are identified should they occur;

d) The internal control and information systems that will be used to control and process the said risks, including the contingent liabilities or off-balance-sheet risks.

See epigraph: D

☐ Complies ☒ Complies partially ☐ Explain

Over the tax year, we have carried out a study to identify and assess the Group's business risks in view of its activity and the current climate. The controls associated with these risks were also subject to the same study.

In 2009, work will continue to study the control measures intended to improve existing risk management practices so that they become more effective and more efficient. The Company will pay particular attention to the risks classified as high and/or those with weak control mechanisms

5. The Audit Committee should be responsible for the following:

1. In relation to the internal control and information systems:

a) Supervising the preparation process and integrity of the financial information related to the company and, where applicable, the group, reviewing compliance with the standard requirements, the appropriate definition of the consolidation perimeter and the correct application of the bookkeeping criteria.

b) Regularly reviewing the internal control and risk management systems so that the main risks can be identified, processed and appropriately publicised.

c) Ensuring the independence and effectiveness of the function of the internal audit; proposing the selection, appointment, re-election and dismissal of the person responsible for the internal audit service; proposing the budget of the service; receiving regular information on its activities; and ensuring that senior management takes into account the conclusions and recommendations put forward in its report.

d) Setting up and supervising a mechanism that enables employees to communicate any significant irregularities, especially those related to finance and bookkeeping, and to do so in a confidential manner.

2. In relation to the external auditor:

- a) Raising the selection, appointment, re-election and substitution proposals concerning the external auditor to the Board, as well as the terms and conditions of his contract.
 - b) Regularly receiving information from the external auditor on the audit plan and the results of its implementation and ensuring that senior management takes into account the corresponding recommendations.
 - c) Guaranteeing the independence of the external auditor and, accordingly:
 - i) The company should report the change of auditor to the Spanish National Securities Market Commission as a relevant event and accompany the said report with the declaration on the existence of disagreements with the departing auditor and, where applicable, the corresponding content.
 - ii) It should be ensured that the company and the auditor observe current standards on the provision of services other than auditing services, the limits to the auditor's business concentration and, in general, the other standards established to guarantee the independence of auditors;
 - iii) In the case of the resignation of the external auditor, it should examine the circumstances leading to the said resignation.
 - d) In the case of groups, it should favour the group's auditor assuming the responsibility for the audits of the companies in the group.
- See epigraphs: B.1.35, B.2.2, B.2.3 and D.3

☐ Complies ☒ Complies partially ☐ Explain

The point that was not put into practice in the 2008 tax year and that will be applied in 2009 is as follows:

In the 2008 tax year, the external auditor was appointed for a one-year term by virtue of the agreement adopted by the General Shareholders Meeting on 30/05/08. With regard to 2009, the Audit Committee will be informed so that is able to make recommendations to the Board on the selection, appointment, re-election and replacement of the external auditor, and the terms and conditions of the latter's contract.

51. The Audit Committee should be able to call any of the company's employee or manager and also have them appear without the presence of any other manager.

☒ Complies ☐ Explain

52. The Audit Committee should report to the Board before the Board adopts the corresponding decisions on the following matters indicated in Recommendation 8:

- a) The financial information which, due to its status as a listed company, must be published by the company on a regular basis. The committee should ensure that the interim accounts are prepared under the same bookkeeping criteria as the annual accounts and, accordingly, consider the appropriateness of a limited review by the external auditor.
 - b) The creation or acquisition of shares in entities with special purposes or domiciled in countries or territories that are considered as tax havens, as well as whatsoever other similar transaction or operation which, owing to its complexity, could undermine the group's transparency.
 - c) The related transactions, unless the preliminary report function has been attributed to another control and supervision Committee.
- See epigraphs: B.2.2 and B.2.3

☒ Complies ☐ Complies partially ☐ Explain

53. The Board of Directors should seek to present the accounts to the General Shareholders Meeting without any reservations or qualifications in the audit report and, in whatsoever exceptional case, both the Chairman of the Audit Committee and the auditors should clearly explain to the shareholders the content and scope of the said reservations or qualifications.

See epigraph: B.1.38

☒ Complies ☐ Complies partially ☐ Explain

Historically, we have had consolidated audit reports without reservations or qualifications. The external auditors stand before the Audit Committee before the presentation of the Annual Accounts to the Board of Directors to explain the conclusions drawn from their audit.

54. Most of the members of the Appointments Committee (or the Appointments and Remuneration Committee, if there is only one Committee) should be independent directors.

See epigraph: B.2.1

Complies x Explain | Not applicable |

55. Besides the functions indicated in the above recommendations, the following responsibilities should correspond to the Appointments Committee:

- a) **Assessing the skills, know-how and experience required of the Board and, consequently, defining the functions and skills required of the candidates to cover each vacancy; and assessing the time and devotion necessary for them to carry out their task correctly.**
- b) **Examining or organising, as considered appropriate, the succession of the Chairman and the chief executive and, where applicable, making proposals to the Board so that the said succession occurs in an orderly and well-planned manner.**
- c) **Reporting the appointments and resignations of senior executives as proposed to the Board by the chief executive.**
- d) **Reporting to the Board on matters of gender diversity as per Recommendation 14 of this code.**

See epigraph: B.2.3

Complies x Complies partially | Explain | Not applicable |

56. The Appointments Committee should consult the company's Chairman and chief executive, especially with regard to business concerning the executive directors.

And any director should be able to ask the Appointments Committee to consider potential candidates for the vacancy of director if they consider them to be ideal.

Complies x Complies partially | Explain | Not applicable |

57. Besides the functions indicated in the above recommendations, the following responsibilities should correspond to the Remuneration Committee:

- a) **Proposing to the Board of Directors:**
 - i) **The salary policy for directors and senior managers;**
 - ii) **The individual salaries of the executive directors and the other terms and conditions of their contracts.**
 - iii) **The basic terms and conditions of the senior managers' contracts.**
- b) **Ensuring the observance of the salary policy laid down by the company.**

See epigraphs: B.1.14, B.2.3

Complies x Complies partially | Explain | Not applicable |

58. The Remuneration Committee should consult the company's Chairman and chief executive, especially with regard to business concerning the executive directors.

Complies x Explains | Not applicable |

G. OTHER INFORMATION OF INTEREST

If you consider that there is any important principle or aspect regarding the corporate governance practices applied by your company which have not been covered in this report, please explain below.

Negative reply.

More specifically, indicate whether your company is subject to any corporate governance legislation other than Spanish law, and if so, include any information that is mandatory and different from that requested herein.

Negative reply.

Binding definition of independent director:

Indicate whether or not any of the independent directors has or has had any relationship with the company, its significant shareholders or managers which, if sufficiently significant or important, would have meant that the director could not be considered as independent in accordance with the definition laid down in section 5 of the unified code of good governance:

Negative reply.

This Annual Report was approved at the meeting held on March 26th 2009 by the Board of Directors.

FLUIDRA, S.A.

Notes to Annual Accounts

On 26 March 2009 the board of directors of Fluidra, S.A. prepared the annual accounts in accordance with the new Spanish Chart of Accounts approved by Royal Decree 1514/2007, comprising the balance sheet, income statement, statement of recognised income and expenses, statement changes in equity, statement of cash flows, notes to the annual accounts and directors' report for the year ended 31 December 2008. All the members of the board of directors sign this sheet as a sign of conformity and the non-executive Secretary to the Board Mr Albert Collado Armengol has signed each of the pages of the aforementioned documents for identification purposes.

Mr Juan Planes Vila (signed)

BANSABADELL INVERSIÓ DESENVOLUPAMENT, S.A.
Mr Carlos Ventura Santamans (signed)

Mr Eloy Planes Corts (signed)

Mr Richard Cathcart (signed)

Mr Bernat Garrigós Castro (signed)

Mr Kam Son Leong (signed)

Mr Oscar Serra Duffo (signed)

Mr Juan Ignacio Acha-Orbea Echevarría (signed)

Mr Bernat Corbera Serra (signed)

FLUIDRA, S.A.

Information relating to group companies

31 December 2007

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Euros									
Name	% ownership		Capital		Reserves	Interim dividend	Profit/loss for the year	Total equity	Carrying amount of investment
	Dir	Ind	and share premium						
<u>Details of subsidiaries</u>									
<u>Astral Pool, S.A. and subsidiaries</u>									
ASTRAL POOL, S.A.U.	100%		70,537,545		10,668,051	(10,402,069)	9,927,209	80,730,736	78,272,393
ASTRAL POOL ESPAÑA, S.A.U.		100%	1,202,072		18,913,102	(5,396,446)	8,029,145	22,747,874	
ASTRAL PISCINE, S.A.S.		100%	4,777,889		1,595,157	(775,189)	1,476,368	7,074,225	
SCI 11 RUE DENFERT ROCHEREAU		50%	150,000		-		38,192	188,192	
ASTRAL UK LIMITED		100%	51,603		1,134,710	-	536,300	1,722,613	
MERCAMASTER GROUP, S.L.U.		100%	3,100		1,358	(300,000)	749,928	454,386	
ASTRAL SCHWIMMBADTECHNICK GmbH		100%	8,517,807		(1,096,688)	-	316,023	7,737,142	
ASTRAL ITALIA, S.P.A.		100%	620,000		4,160,709	-	1,159,890	5,940,599	
ASTRAL SERVICE, S.R.L.		100%	10,400		49,220	-	133,269	192,889	
ASTRAL POOL SWITZERLAND, S.A.		100%	647,478		(579,343)	-	312	68,447	
ASTRAL EXPORT, S.A.		95%	601,000		639,503	(500,000)	1,122,101	1,862,605	
YA SHI TU (Ningbo) Water Treatment Equipment, Ltd.		100%	58,612		(55,605)	-	22,432	25,439	
ASTRAL MIDDLE EAST FZE		100%	211,231		1,527,392	-	966,384	2,705,007	
ASTRAL HAVUZ EQUIPMANLARI S.V.T.A.		51%	168,796		1,288,793	-	609,089	2,066,678	
MAGHREBINE DES EQUIPEMENTS D'EAU, S.A.R.L.		51%	311,143		283,445	-	222,615	817,203	
ASTRAL BAZENOVE PRISLUSENTSVI, S.R.O.		85%	71,395		2,339,005	-	1,192,520	3,602,920	
ASTRAL SCANDINAVIA AS		100%	63,652		780,521	-	395,317	1,239,491	
ZAO "ASTRAL SNG"		70%	194,936		461,126	-	496,180	1,152,242	
ASTRAL EQUIPMENT AUSTRALIA PTY, LTD		94.54%	794,482		(741,487)	-	682,002	734,997	

FLUIDRA, S.A.

Information relating to group companies
31 December 2007

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

MAGYAR ASTRAL POOL Kft.	90%	64,229	471,310	-	206,493	742,031
ASTRAL POOL CHILE S.A.	60%	213,433	202,042	-	150,539	566,014
ASTRAL POOL POLSKA, SP. Z.O.O.	85%	99,293	303,082	-	246,993	649,368
ASTRAL INDIA Pvt. Ltd.	88%	55,059	106,356	-	314,522	475,937
MARAZUL, LDA.	100%	500,000	1,794,466	-	504,753	2,799,219
ASTRAL POOL HELLAS, S.A.	80%	441,250	(226,865)	-	165,045	379,430
ASTRAL PRODUCTS, INC.	97%	4,269,715	(4,027,690)	-	176,237	418,262
ASTRAL POOL MEXICO, S.A. DE C.V.	70%	1,164,946	(288,395)	-	(155,123)	721,429
CATPOOL S.A. de C.V.	99%	447,472	(44,172)	-	200	403,501
UNIPEN, S.L.	40%	9,595	50,597	-	1,668,374	1,728,567
POOL SUPPLIER, S.L.U.	100%	3,100	183,938	(130,000)	347,455	404,493
ASTRAL POOL GROUP, S.L.	100%	449,110	430,027	-	74,850	953,987
CONTROLPOOLS, S.A.	30%	60,100	47,180	-	(2,649)	104,631
TURCAT POLYESTER SANAYI VE TICARET, A.S.	49.85%	79,200	123,125	-	86,968	289,293
HURLCON HOLDINGS PTY LTD (4)	100%	145,450	3,533,010	-	1,540,192	5,218,652
ASTRAL HONG KONG CO, Ltd.	100%	994	2,163	-	12,530	15,687
ASTRAL SINGAPORE PTE. LTD	85%	103,597	(58,159)	-	11,604	57,042
ASTRALPOOL BALKANS JSC	66.67%	69,025	45,372	-	161,613	276,010
MTH-Moderne Wassertechnik AG	80%	103,000	900,814	-	(37,297)	966,517
PROHOGAR, S.L.	50%	3,017	1,374,359	-	25,889	1,403,265
BLUE WATER PARTS, S.A.S.	100%	300,000	(428,251)	-	(34,082)	(162,333)
Auric Pool, S.A. and subsidiaries						
AURIC POOL S.A.U.	100%	25,242,000	7,981,046	(3,736,443)	5,288,258	34,774,861
METALAST, S.A.U.	100%	601,056	8,164,634	(1,900,000)	3,277,801	10,143,490
POLTANK, S.A.U.	100%	601,010	3,195,517	(100,000)	1,950,134	5,646,661
SACOPA, S.A.U.	100%	601,000	3,957,233	(2,200,000)	4,435,083	6,793,316
UNISTRAL RECAMBIOS, S.A.U.	100%	60,110	122,478	(100,000)	266,043	348,631
REVICER, S.L.	100%	96,160	255,664	-	30,429	382,253
						47,577,685

FLUIDRA, S.A.

Information relating to group companies

31 December 2007

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

TALLERES DEL AGUA, S.L.	80%	3,756	677,119	-	404,556	1,085,432
MABER PLAST, S.L.	60%	12,020	989,401	-	119,527	1,120,949
TOGAMA, S.A.	69,97%	390,710	618,581	-	(421,968)	587,323
LLIERCA NAUS, S.A.	100%	60,110	242,485	-	154,078	456,673
EXEXPOOL, S.L.	100%	54,090	294,513	-	239,568	588,172
PRODUCTES ELASTOMERS, S.A.	70%	60,200	60,118	-	71,579	191,896
INVERSIONES DELOSCUA, S.L.	100%	3,006	17,084	-	(261,762)	(241,672)
NINGBO LINYA SWIMMING POOL & WATER TREATMENT CO., LTD.	100%	911,344	(120,405)	-	82,175	873,114
TURCAT POLYESTER SANAYI VE TICARET A.S.	50%	79,200	123,125	-	86,968	289,293
UNIPEN, S.L.	60%	9,595	50,597	-	1,668,374	1,728,567
EUROPEENNE DE COUVERTEURS AUTOMATIQUES S.A.R.L.	100%	100,000	284,510	-	453,348	837,858
CONTROLPOOLS, S.A.	30%	60,100	47,180	-	(2,649)	104,631
SWIMCO CORP., S.L.	22,58%	33,509,182	530,767	-	(139,681)	33,900,268
ROTOPLASTICS, S.L.	100%	100,000	(325,106)	-	(798,193)	(1,023,299)
AQUANT TRADING CO, Ltd.	100%	165,454	(42,547)	-	(152,631)	(29,724)
NINGBO DONGCHUAN SWIMMINGPOOL	70%	905,369	(72,544)	-	395,745	1,228,569
IDEGIS, S.L.	60%	3,720	972,622	-	1,188,729	2,165,071
PACIFIC INDUSTRIES, S.A.S.	80%	167,694	1,035,221	-	135,343	1,338,258
<u>Swimco Corp., S.L. and subsidiaries</u>						
SWIMCO CORP., S.L.	77,42%	33,509,182	530,767	-	(139,681)	33,900,268
MEIP INTERNACIONAL S.L.	60%	420,700	772,074	-	166,624	1,359,398
MANUFACTURAS GRE, S.A.	100%	445,343	5,952,898	(3,178,356)	3,179,079	6,398,963
GRE, AQUA AND POOL, S.L.	100%	3,010	(25)	-	(220)	2,765
<u>European Corner, S.A. and subsidiaries</u>						
EUROPEAN CORNER, S.A.	100%	2,617,350	1,302,878	(1,080,000)	1,286,768	4,126,996
CERTIKIN INTERNATIONAL, LTD.	100%	1,500,003	5,695,078	(1,000,000)	1,468,525	7,663,606
						25,939,482
						2,617,350

FLUIDRA, S.A.

Information relating to group companies

31 December 2007

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

HYDROSIM International, S.A.S.	100%	1,652,500	392,069	-	34,263	2,078,833
INDUSTRIAS MECANICAS LAGO, S.A.U.	100%	60,110	998,510	(200,000)	568,200	1,426,820
CERTIKIN IBERICA, S.L.	100%	203,100	(79,210)		333,066	456,956
COMERCIAL DE EXCLUSIVAS INTERNACIONALES BLAGE, S.L.	88.80%	60,150	441,302		10,845	512,297
<u>Cepex Holding, S.A. and subsidiaries</u>						
CEPEX HOLDING,SA	100%	18,030,000	1,607,898	(1,923,105)	3,684,131	21,398,923
CEPEX S.A.U.		60,200	10,102,167	(1,681,548)	2,705,618	11,186,436
FORPLAST, SAU	100%	90,150	2,552,334	(555,235)	548,190	2,635,439
VALVULES I RACORDS CANOVELLES, S.A.	100%	60,105	2,300,193	(900,000)	1,375,475	2,835,773
MANUFACTURES DE PLASTICS SOLA, S.A.	100%	213,710	387,745	-	208,206	809,661
PROCEPEX, S.R.L.	70%	363,843	(114,961)	-	69,182	318,064
NINGBO XIPEI VALVES AND FITTINGS	100%	202,979	(61,007)	-	21,931	163,903
CEPEX COMERCIAL, S.A.	100%	600,000	268,825	-	(403,258)	465,567
CEPEX PORTUGAL, LD	80%	312,290	1,341,328	-	465,971	2,119,589
CEPEX ITALIA S.R.L.	79%	101,490	1,246,753	-	625,115	1,973,358
CEPEX FRANCIA, S.A.S.	100%	460,000	(604,001)	-	(368,405)	(512,406)
CEPEX USA INC.	90%	350,448	(388,137)	-	113,983	76,294
CEPEX MEXICO, S.A. DE C.V.	100%	245,544	84,977	-	163,678	494,198
AGROCEPEX, S.A.L.L.	56%	8,938	5,824	-	3,696	18,458
CEPEX GMBH	100%	469,951	(447,841)	-	(2,277)	19,832
CEPEX MIDDLE EAST FZE	100%	226,449	(86,793)	-	9,961	149,616
PEXCE INMOBILIARIA, S.L.	100%	60,000	3,953	-	(42,043)	21,911
CEPEXSER, S.L.	100%	34,539	1	-	49,780	84,320
MASTERRIEGO, S.A.	86%	105,177	46,696	-	6,023	157,896
IRRIGARONNE	100%	969,419	2,660,622	-	769,616	4,399,657
<u>NEOKEM Grup, S.A. and subsidiaries</u>						
NEOKEM GRUP, S.A.	100%	12,020,000	6,330,511	-	(3,006,987)	15,343,525

50,315,000

FLUIDRA, S.A.

Information relating to group companies

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

INQUIDE, S.A.U.	100%	2,303,732	2,230,202	-	711,620	5,245,554
INQUIDE FLIX, S.A.	100%	3,765,000	(2,383,933)	-	(540,139)	840,928
IWERQUIMICA, S.L.	100%	85,043	(44,976)	-	82,704	122,771
CTX, S.A.U.	100%	601,010	1,910,522	-	684,482	3,196,014
CTX Piscine, SARL	95%	240,000	318,917	-	120,409	679,326
CTX CHEMICALS, SRL	85%	520,000	690,055	-	346,940	1,556,994
AQUAAMBIENTE, S.A.	80%	450,000	940,037	-	36,031	1,426,068
WATERCHEM, S.L.	95%	36,000	31,533	-	(28,493)	39,041
MEIP INTERNATIONAL, S.L.	40%	420,700	772,074	-	166,624	1,359,398
CONTROLPOOLS, S.A.	40%	60,100	47,180	-	(2,649)	104,631

28,170,011

SNTE Agua Group, S.A. and subsidiaries

SNTE AGUA GROUP, S.A.	100%	9,085,110	241,290	-	(345,857)	8,980,542
SERVAQUA, S.A.	100%	420,720	1,280,380	-	209,053	1,910,153
MEMBRANE CONCEPTS, S.L.	50%	3,020	(27,430)	-	(4,384)	(28,794)
GRUPSENTE, A.I.E.	100%	10,000	6,067	-	2,057	18,124
ASTRAMATIC, S.A.	100%	180,300	562,637	-	103,852	846,790
SCI LA CERISAY	100%	1,524	-	-	375	1,899
SNTE España, S.L.	100%	3,010	365,356	-	222,157	590,523
APLICACIONES TÉCNICAS HIDRÁULICAS, S.L.	80%	120,202	3,028,625	-	2,052,627	5,201,455

6,800,000

ADBE CARTERA, S.A. and subsidiaries

ADBE CARTERA, S.A.U.	100%	300,510	33,690	-	(90)	334,109
PROHOGAR, S.L.	50%	3,017	1,374,359	-	25,889	1,403,265

1,545,482

INMOBILIARIA SWIM 38, S.L. and subsidiaries

INMOBILIARIA SWIM 38, S.L.	100%	3,100	33,189	-	82,787	119,076
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3,100

FLUIDRA, S.A.

Information relating to group companies

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

A.P. IMMOBILIERE	99.90%	10,000	179,189	-	74,689	263,878	
TRACE LOGISTICS S.A.	100%	4,509,000	(420,577)	-	356,163	4,444,586	4,367,167
ACCENT GRAPHIC, S.L.	100%	72,120	276,270	-	214,990	563,380	144,212
FLUIDRA SERVICES, S.A.	100%	300,000	(22,148)	-	(340,316)	(62,464)	-
DISPREAU, GIE	100%	-	-	-	-	-	-
<u>Details of associates</u>							
INQUEVAP AIE	30%	323,224	5,164		(15,903)	312,486	
ASTRAL NIGERIA, LTD. (1)	25%	8,772	111,431		44,850	165,053	
<u>Details of joint ventures</u>							
SCHWIMMBAD-SAUNA-AUSSTATTUNGS Gmbh	74%	1,158,434	917,605	-	1,367,197	3,443,236	
<u>Details of companies consolidated at cost</u>							
DISCOVERPOOLS COM, INC. (2)	11%	84,000	-	-	-	84,000	
SOCIETE DE DISTRIBUTION ET DE MAINTENANCE (SODIMA) (3)	12.53%	100,000	47,017	-	(15,000)	132,017	

FLUIDRA, S.A.

Information relating to Group companies
31 December 2008

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Name	Euros						
	% ownership		Capital and share premium	Reserves	Interim dividend	Profit/loss for the year	Total equity
	Dir	Ind					2008
							Carrying amount of investment
Details of subsidiaries							
Astral Pool, S.A. and subsidiaries							
ASTRAL POOL, S.A.U.	100%		70,537,545	7,806,260	(4,265,152)	4,816,131	78,894,783
ASTRAL POOL ESPAÑA, S.A.U.		100%	1,202,072	19,930,620	-	3,669,007	24,801,699
ASTRAL PISCINE, S.A.S.		100%	4,777,889	1,595,236	-	1,025,701	7,398,826
SCI 11 RUE DENFERT ROCHEREAU		50%	150,000	(13,488)	-	25,589	162,101
ASTRAL POOL BELGIQUE, S.R.L.		100%	18,600	-	-	29,967	48,567
ASTRAL UK LIMITED		100%	51,603	1,007,297	-	469,730	1,528,630
MERCAMASTER GROUP, S.L.U.		100%	3,100	16,403	-	572,515	592,018
ASTRAL POOL DEUTSCHLAND GmbH		100%	8,517,807	(817,655)	-	217,789	7,917,942
ASTRAL ITALIA, S.P.A.		100%	620,000	4,740,654	-	1,496,186	6,856,840
ASTRAL SERVICE, S.R.L.		100%	10,400	182,489	-	(27,939)	164,950
ASTRAL POOL SWITZERLAND, S.A.		100%	647,478	(568,581)	-	41,668	120,564
ASTRAL EXPORT, S.A.		95%	601,000	639,503	-	1,695,912	2,936,415
YA SHI TU (Ningbo) Water Treatment Equipment, Ltd.		100%	58,612	(25,720)	-	54,860	87,752
ASTRAL MIDDLE EAST FZE		100%	211,231	2,725,245	-	2,328,520	5,264,996

FLUIDRA, S.A.

Information relating to Group companies
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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

ASTRAL HAVUZ EQUIPMANLARI S.V.T.A.	51%	168,796	1,113,290	-	809,196	2,091,282
MAGHREBINE DES EQUIPEMENTS D'EAU, S.A.R.L.	91%	311,143	498,784	-	395,943	1,205,870
ASTRAL BAZENOVE PRISLUSENTSVI, S.R.O.	85%	71,395	2,440,525	-	1,404,194	3,916,114
ASTRAL SCANDINAVIA AS	100%	63,652	930,064	-	131,696	1,125,412
ZAO "ASTRAL SNG"	70%	194,936	590,024	-	77,574	862,534
MAGYAR ASTRAL POOL Kft.	90%	141,187	541,380	-	122,447	805,015
ASTRAL POOL CHILE S.A.	98.1%	549,144	218,833	-	(297,685)	470,293
ASTRAL POOL POLSKA, SP. Z.O.O.	85%	99,293	321,629	-	189,828	610,749
ASTRAL INDIA Pvt. Ltd.	85%	94,696	167,066	-	271,325	533,087
MARAZUL, LDA.	100%	500,000	2,046,843	-	734,550	3,281,392
ASTRAL POOL HELLAS, S.A.	80%	841,250	(65,356)	-	140,505	916,400
ASTRAL PRODUCTS, INC.	97%	4,269,715	(3,848,995)	-	(373,432)	47,288
ASTRAL POOL MEXICO, S.A. DE C.V.	70%	1,772,310	(611,933)	-	(250,269)	910,109
CATPOOL S.A. de C.V.	99%	447,472	(109,941)	-	23	337,554
UNIPEN, S.L.	40%	9,595	2,032,818	-	(28,090)	2,014,324
POOL SUPPLIER, S.L.U.	100%	3,100	401,306	-	241,793	646,199
ASTRAL POOL GROUP, S.L.	100%	449,110	509,006	-	(408,490)	549,626
TURCAT POLYESTER SANAYI VE TICARET A.S.	49.85%	79,200	121,765	-	76,353	277,317
ASTRAL POOL AUSTRALIA PTY LTD (4)	100%	145,450	3,709,769	-	1,093,707	4,948,926
ASTRAL HONG KONG CO, Ltd.	100%	994	21,326	-	61,178	83,498

FLUIDRA, S.A.

Information relating to Group companies

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

ASTRAL SINGAPORE PTE. LTD	100%	103,597	(40,943)	-	70,884	133,538
ASTRAL POOL BALKANS JSC	66.67%	69,025	204,982	-	120,187	394,194
ASTRAL POOL CYPRUS, LTD	80%	200,000	-	-	258,308	458,308
YA SHI TU SWIMMING POOL EQUIPMENT (SHANGHAI) Co. Ltd.	100%	85,183	12,265	-	38,533	135,981
MTH-Moderne Wassertechnik AG	100%	103,000	900,498	-	(414,315)	589,183
PROHOGAR, S.L.	50%	3,017	1,400,248	-	865,577	2,268,842
BLUE WATER PARTS, S.A.S.	100%	300,000	(462,333)	-	2,042	(160,290)
CEPEX COMERCIAL, S.A.	100%	600,000	(470,364)	-	(426,257)	(296,621)
MASTERRIEGO, S.A.	100%	105,177	52,719	-	(93,495)	64,401
<u>Auric Pool, S.A. and subsidiaries</u>	100%	25,242,000	8,939,908	(5,579,195)	3,516,756	32,119,468
AURIC POOL S.A.U.						
METALAST,S.A.U.	100%	601,056	9,500,413	-	2,777,867	12,879,336
POLTANK, S.A.U.	100%	601,010	4,375,364	-	(182,704)	4,793,670
SACOPA, S.A.U.	100%	601,000	5,294,479	-	4,003,111	9,898,590
UNISTRAL RECAMBIOS, S.A.U.	100%	60,110	255,499	-	423,611	739,220
REVICER, S.L.	100%	96,160	286,093	-	236,283	618,536
TALLERES DEL AGUA, S.L.	100%	3,756	1,060,746	-	501,773	1,566,275
MABER PLAST, S.L.	100%	12,020	1,083,928	-	33,949	1,129,897
TOGAMA, S.A.	69.97%	390,710	196,614	-	(874,332)	(287,008)
LLIERCA NAUS, S.A.	100%				147,383	

47,577,685

FLUIDRA, S.A.

Information relating to Group companies
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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

EXEPOOL, S.L.	60,110	304,116	-	511,609
PRODUCTES ELASTOMERS, S.A.	100%	54,090	534,096	8,059
596,245				
70%	60,200	107,068	-	2,817
170,085				
NINGBO LINYA SWIMMING POOL & WATER TREATMENT CO., LTD.	100%	911,344	102,067	332,129
1,345,540				
TURCAT POLYESTER SANAYI VE TICARET A.S.	50%	79,200	121,765	76,353
277,317				
UNIPEN, S.L.	60%	9,595	2,032,818	(28,090)
2,014,324				
EUROPEENNE DE COUVERTEURS AUTOMATIQUES S.A.R.L.	100%	100,000	588,253	225,159
913,412				
ROTOPLASTICS, S.L.	100%	100,000	(1,123,299)	1,051,190
27,891				
AQUANT TRADING CO, Ltd.	100%	491,992	(167,336)	(28,499)
296,156				
NINGBO DONGCHUAN SWIMMINGPOOL	70%	905,369	504,449	250,278
1,660,095				
IDEGIS, S.L.	60%	3,720	1,566,986	1,514,190
3,084,896				
PACIFIC INDUSTRIES, S.A.S.	80% (5) - 100%	167,694	1,170,564	875,890
2,214,148				
<u>Swimco Corp., S.L. and subsidiaries</u>				
SWIMCO CORP., S.L.	100,00%	33,509,182	13,754,333	1,893,209
49,156,725				
MEIP INTERNACIONAL S.L.	60%	420,700	855,386	163,062
1,439,148				
MANUFACTURAS GRE, S.A.	100%	445,343	5,949,750	2,564,971
8,960,064				
GRE, AQUA AND POOL, S.L.	100%	3,010	(364)	-
2,646				
SWIMMING POOL EQUIPMENT ITALY, S.R.L. (SPEI)	90% (5) - 100%	300,000	638,311	348,860
1,287,171				
ME 2000, S.R.L.	100%	10,000	85,286	(25,642)
69,645				
CERTIKIN INTERNATIONAL, LTD.	100%	1,500,003	1,736,927	1,124,826
4,361,756				

34,317,696

FLUIDRA, S.A.

Information relating to Group companies
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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

HYDROSWM International, S.A.S.	100%	1,652,500	426,332	-	(950,574)	1,128,259
INDUSTRIAS MECANICAS LAGO, S.A.U.	100%	60,110	1,279,368	-	388,112	1,727,590
CERTIKIN POOL IBERICA, S.L.	100%	203,100	81,900	-	5,542	802,839
COMERCIAL DE EXCLUSIVAS INTERNACIONALES BLAGE, S.L.	100.00%	60,150	452,147	-	(80,842)	431,455
CERTIKIN SWIMMING POOL PRODUCTS INDIA PRIVATE LIMITED	100.00%	128,341	(12,363)	-	(5,808)	110,169
CALDERERÍA PLÁSTICA DEL NORTE, S.L.	80% (5) - 100%	48,081	644,554	-	891,250	1,583,885
Cepex Holding, S.A. and subsidiaries						
CEPEX HOLDING,SA	100%	18,030,000	1,711,363	-	821,232	20,562,594
CEPEX S.A.U.	100%	60,200	10,218,278	-	2,750,073	13,028,551
VALVULES IRACORDS CANOVELLES, S.A.	100%	60,105	5,433,648	-	1,173,595	6,667,348
MANUFACTURES DE PLÁSTICS SOLÁ, S.A.	100%	213,710	595,951	-	152,751	962,412
PROCEPEX, S.R.L.	70%	363,843	(41,435)	-	(35,623)	286,785
NINGBO XI PEI VALVES AND FITTINGS	100%	202,979	(15,680)	-	22,854	210,153
CEPEX PORTUGAL, LD	80%	312,290	1,807,299	-	714,698	2,834,287
CEPEX ITALIA S.R.L.	79%	101,490	1,871,868	-	680,017	2,653,375
CEPEX USA INC.	90%	350,448	(267,731)	-	43,258	125,975
CEPEX MEXICO, S.A. DE C.V.	100%	245,544	143,368	-	164,021	552,933
AGROCEPEX, S.A.L.L.	56%	8,938	9,484	-	(28,847)	(10,425)
CEPEX GMBH	100%	469,951	(450,118)	-	1,563	21,395
CEPEX MIDDLE EAST FZE	100%		(127,450)	-	138,077	

50,315,000

FLUIDRA, S.A.

Information relating to Group companies

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

IRRIGARONNE			414,015	-		424,642
	100%		969,419	2,734,729	242,796	3,946,944
<u>NEOKEM Grup, S.A. and subsidiaries</u>						
NEOKEM GRUP, S.A.	100%		13,270,080	1,443,821	(1,167,240)	13,546,661
INQUIDE, S.A.U.	100%		2,303,732	2,637,386	(8,308)	4,932,811
INQUIDE FLIX, S.A.	100%		3,765,000	(2,947,022)	(1,163,806)	(345,829)
IWERQUIMICA, S.L.	100%		85,043	(210,012)	173,708	48,739
CTX, S.A.U.	100%		601,010	2,127,010	388,468	3,116,488
SENTEX, S.A.R.L.	100%		1,000,000	(932,362)	489,893	557,531
CTX CHEMICALS, SRL	85%		520,000	863,523	333,029	1,716,551
AQUAAMBIENTE, S.A.	80%		450,000	958,053	209,553	1,617,606
WATERCHEM, S.L.	100%		36,000	(4,834)	33,097	64,263
MEIP INTERNATIONAL, S.L.	40%		420,700	855,386	163,062	1,439,148
<u>SNTE Agua Group, S.A. and subsidiaries</u>						
SNTE AGUA GROUP, S.A.	100%		9,085,110	(3,125,672)	470,975	6,430,412
SERVAQUA, S.A.	100%		420,720	1,379,127	185,394	1,985,241
GRUPSENTE, A.I.E.	100%		10,000	8,124	(61,760)	(43,636)
ASTRAMATIC, S.A.	100%		180,300	607,156	185,618	973,074
SCI LA CERISAY	99%		1,524	-	(67,147)	(65,623)
SNTE España, S.L.	100%		3,010	463,329	121,974	588,313
						6,800,000

FLUIDRA, S.A.

Information relating to Group companies
31 December 2008

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

		80% (5) - 100%	120,202	4,449,956	-	886,093	5,456,251
APLICACIONES TÉCNICAS HIDRÁULICAS, S.L.							
<u>ADBE CARTERA, S.A. and subsidiaries</u>							
ADBE CARTERA, S.A.U.	100%		300,510	33,600	-	(16,760)	317,349
PROHOGAR, S.L.		50%	3,017	1,400,248	-	865,577	2,268,842
<u>INMOBILIARIA SWIM 38, S.L. and subsidiaries</u>							
INMOBILIARIA SWIM 38, S.L.	100%		3,100	115,976	-	(24,037)	95,038
A.P. IMMOBILIERE		99,90%	10,000	253,878	-	70,347	334,225
TRACE LOGISTICS.S.A.	100%		4,509,000	(64,414)	-	34,126	4,478,712
ACCENT GRAPHIC, S.L.	100%		72,120	383,763	-	(29,405)	426,478
FLUIDRA SERVICES, S.A.	100%		300,000	437,536	-	(227,057)	510,479
DISPREAU, GIE	100%		-	-	-	-	-
FLUIDRA FRANCE, S.A.S.	100%		37,000	-	-	3,163	40,163
37,000							37,000
<u>Details of associates</u>							
INQUEVAP AIE		30%	323,224	(10,738)	-	(312,486)	-
ASTRAL NIGERIA, LTD. (1)		25%	8,772	132,243	-	41,977	182,992
LAMINATS DE CATALUNYA, S.L.		25%	800,000	(8,003)	-	(496,822)	295,175
<u>Details of joint ventures</u>							

FLUIDRA, S.A.

Information relating to Group companies
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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

SCHWIMMBAD-SAUNA-AUSSTATTUNGS Gmbh	95%	1,158,434	1,601,204	-	1,217,011	3,976,648
<u>Details of companies consolidated at cost</u>						
DISCOVERPOOLS COM, INC. (2)	11%	84,000	-	-	-	84,000
SOCIETE DE DISTRIBUTION ET DE MAINTENANCE (SODIMA) (3)	12.53%	100,000	90,799	-	986	191,785

(1) Companies belonging to the Astral Pool, S.A. and subsidiaries subgroup.

(2) Companies belonging to the Astral Pool, S.A. and subsidiaries subgroup and the Auric Pool, S.A. and subsidiaries subgroup.

(3) Company belonging to the Astral Pool, S.A. and subsidiaries subgroup and Manufacturas Gre, S.A.

(4) Astral Pool Australia Pty Ltd is a group of companies in which the parent holds 100% of the capital of Astral Pool Holdings Pty Ltd, Hurlcon Staffing Pty Ltd, Hurlcon Investments Pty Ltd, Hurlcon Research Pty Ltd, Rolachem Australia Pty Ltd and Hendy Manufacturing Pty Ltd.

(5) Companies integrated 100% into the condensed interim financial statements and have derecognised the carrying amount of minority interests (see note 6)

FLUIDRA, S.A.

Details of the registered offices and statutory activity
of subsidiaries, associates
and jointly-controlled companies in which direct and indirect interests are held
31 December 2007

(Free translation from the original in Spanish.
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Fully consolidated subsidiaries

Subsidiaries

- Astral Pool, S.A.U., with registered offices in Sabadell (Barcelona), dedicated to the holding and use of stocks and shares and advising, managing and administering the companies in which it has an interest.
- Astral Pool España, S.A.U., with registered offices in Polinyà (Barcelona), dedicated to the manufacture, sale and purchase and distribution of all types of machinery, equipment, components and parts of machinery, instruments, accessories and specific products for swimming pools, irrigation, and water treatment and purification systems.
- SCI 11 Rue Denfert Rochereau, with registered offices in Saint Dennis (France), operates in the real estate sector.
- Astral Piscine, S.A.S., with registered offices in Perpignan (France), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Astral UK, Ltd., with registered offices in Hants (England), the statutory activity of which involves the manufacture, sale and purchase, distribution commercialisation, export and import of all types of swimming pool-related products.
- Mercamaster Group, S.L.U., with registered offices in Sabadell (Barcelona), the statutory activity of which involves commercial and service intermediation.
- Astral Schwimmbadtechnik, GMBH, with registered offices in Hirschberg (Germany), the statutory activity of which involves the manufacture, sale and purchase, distribution commercialisation, export and import of all types of swimming pool-related products.
- Astral Italia, S.P.A., with registered offices in Brescia (Italy), the statutory activity of which involves the manufacture, sale and purchase, distribution commercialisation, export and import of all types of swimming pool-related products.
- Astral Service, S.R.L., with registered offices in Brescia (Italy), the statutory activity of which involves rendering services and conducting real estate activities.
- Astral Pool Switzerland, S.A., with registered offices in Bedano (Switzerland), the principal activity of which is the commercialisation of swimming pool-related materials.
- Astral Export, S.A., with registered offices in Sabadell (Spain) is dedicated to trading all type of products and goods on both domestic and foreign markets, whilst its principal activity involves the commercialisation of swimming pool-related products, basically acquired from related companies.
- Astral Middle East, Fze., with registered offices in Jebel Ali (Dubai), dedicated to the commercialisation of equipment for swimming pools and water treatment and related accessories.

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Details of the registered offices and statutory activity
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- Astral Havuz Ekipmanlari, S.V.T.A., with registered offices in Kartal (Turkey), dedicated to the import of equipment, chemical products and other accessories for swimming pools, for their subsequent distribution.
- Maghrebine Des Equipements d'Eau, S.A.R.L., with registered offices in Casablanca (Morocco), the statutory activity of which is the import, export, manufacture, commercialisation, sale and distribution of parts for swimming pools, irrigation and water treatment systems.
- Astral Bazénové Příslušenství Spol, S.R.O., with registered offices in Prague (the Czech Republic), the principal activity of which is the commercialisation of swimming pool-related accessories.
- Astral Scandinavia, A/S, with registered offices in Roedekro (Denmark), importer of technical components and equipment for all types of water treatment processes.
- Zao "Astral Sng", with registered offices in Moscow (Russia), the principal activity of which is the purchase of swimming pool-related materials for their subsequent sale on the national market.
- Astral Equipment Australia Pty, Ltd., with registered offices in Underwood (Australia), the principal activity of which is the distribution of swimming pool-related products.
- Magyar Astral Pool, Kft., with registered offices in Budapest (Hungary), the principal activity of which is the commercialisation and assembly of machinery and accessories for swimming pools, irrigation and water treatment and purification systems.
- Astral Pool Polska SP, Z.o.o., with registered offices in Wroclaw (Poland), the principal activity of which is the commercialisation of swimming pool-related accessories.
- Astral Pool Chile, S.A., with registered offices in Santiago de Chile (Chile), the principal activity of which is the distribution and commercialisation of products for swimming pools, irrigation and water treatment and purification systems.
- Astral Pool México, S.A. de C.V., with registered offices in Tlaquepaque (Mexico), the principal activity of which is the commercialisation of swimming pool-related materials.
- Astral Products, Inc., with registered offices in Florida (USA), dedicated to the commercialisation of swimming pool-related products and accessories.
- Astral India PVT LTD, with registered offices in Mumbai (India), the principal activity of which is the commercialisation of swimming pool-related materials.
- Marazul Importação, Exportação, Comércio e Indústria Limitada, with registered offices in São Domingo da Rana (Portugal), dedicated to the manufacture, sale and purchase, distribution commercialisation, export and import of all types of swimming pool-related products.
- Pool Supplier, S.L.U., with registered offices in Polinyà (Barcelona), dedicated to the sale and purchase of swimming pool-related products and the distribution of these products among group companies.
- Astral Pool Group, S.L.U., with registered offices in Sabadell (Spain), the statutory activity of which involves economic support by rendering administration services, providing legal, financial and accounting advisory services, managing and training personnel, and providing IT, R&D and marketing services.

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Details of the registered offices and statutory activity
of subsidiaries, associates
and jointly-controlled companies in which direct and indirect interests are held
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- Astral Pool Hellas, S.A., with registered offices in Aspropyrgos (Greece), the principal activity of which is the distribution of swimming pool accessories.
- Ya Shi Tu (Ningbo Water Treatment Equipment, LTD)., with registered offices in Shanghai (China), the principal activity of which is the commercialisation of swimming pool-related products.
- Catpool SA de C.V. with registered offices in Mexico DF (Mexico), the principal activity of which is the purchase, sale and distribution of chemical products related with the maintenance of swimming pools and water systems.
- Hurlcon Holdings PTY LTD, with registered offices in Noble Park Victoria (Australia), the principal activity of which is the purchase, sale, production and distribution of machinery, equipment, products and special equipment for the maintenance of swimming pools and water systems.
- Astral Pool Hongkong CO. LTD, with registered offices in Hong Kong (Hong Kong), the principal activity of which is the commercialisation of swimming pool-related accessories.
- Astral Pool Singapore PTE LTD, registered offices in Singapore (Singapore), the principal activity of which is the commercialisation of swimming pool accessories.
- Astral Pool Balkans JSK, with registered offices in Plovdiv (Bulgaria), the principal activity of which is the purchase, sale and distribution of machinery, equipment, materials, products and special equipment for the maintenance of swimming pools and water systems.
- MTH Moderne Wassertechnik AG, with registered offices in Gilching (Alemania), the principal activity of which is the sale and purchase, manufacture and distribution of machinery, equipment, products and special maintenance equipment for swimming pools and water systems.
- AP Immobiliere, with registered offices in Perpignan (France), the statutory activity of which is the development and rental of real estate.
- Blue Water Parts, S.A.S., with registered offices in Villeurbanne (France), mainly dedicated to selling replacement materials for swimming pools.
- Metalast, S.A.U., with registered offices in Polinyà (Barcelona), dedicated to the manufacture of metal products, piping and street furniture, and the wholesale of accessories.
- Unipen, S.L.U., with registered offices in Polinyà (Barcelona), the statutory activity of which is the development and rental of real estate.
- Poltank, S.A.U., with registered offices in Tortellà (Girona), the statutory activity of which involves the manufacture and commercialisation of swimming pool filters by injection-moulding, projection or lamination.
- Sacopa, S.A.U., with registered offices in Sant Jaume de Llierca (Girona), the principal activity of which is the transformation and commercialisation of plastic materials.
- Unistral Recambios, S.A.U., with registered offices in Massanet de la Selva (Girona), the statutory activity of which involves the manufacture, sale and purchase and distribution of machinery, accessories, spare parts, components and specific products for the treatment and purification of water.

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Details of the registered offices and statutory activity
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- Revicer, S.L., with registered offices in Arganda del Rey (Madrid), dedicated to the manufacture and commercialisation, sale and distribution of various sized tiles and other materials for the construction industry.
- Talleres del Agua, S.L., with registered offices in Polígono Industrial de Barros, Ayuntamiento de los Corrales de Buelna (Cantabria), the statutory activity of which involves the construction, sale, installation, conditioning and maintenance of swimming pools, as well as the manufacture, sale and purchase, import and export of all types of swimming pool-related tools.
- Maber Plast, S.L., with registered offices in Sant Joan les Fonts (Girona), the principal activity of which is the transformation of plastic materials.
- Togama, S.A., with registered offices in Villareal (Castellón), the statutory activity of which is the manufacture of ceramic insulators and insulating parts for electrical installations.
- Llierca Naus, S.A., with registered offices in Sant Jaume de Llierca (Girona), rents its industrial buildings to several group companies.
- Exex Pool, S.L., with registered offices in Polinyà (Barcelona), the statutory activity of which involves rendering administration services, providing legal, financial and accounting advisory services, managing and training personnel, and providing IT, R&D and marketing services.
- Auric Pool, S.A.U., with registered offices in Polinyà (Barcelona), dedicated to the holding and use of shares and advising, managing and administrating the companies in which it has an interest.
- Inversiones Deloscua, S.L., with registered offices in Barcelona, the statutory activity of which is the development of real estate.
- Productes Elastomers, S.A., with registered offices in Sant Joan Les Fonts (Girona), dedicated to the manufacture of moulded rubber parts and all types of natural and synthetic rubber items, the implementation and development of techniques for maintaining, repairing and adjusting pressure chambers, and in general, the preparation, manufacture and transformation of all types of rubber and plastic products.
- Ningbo Linya Swimming Pool & Water Treatment Co. Ltd., with registered offices in Ningbo (China), the statutory activity of which is the design, research and development and manufacture of equipment for swimming pools and water disinfection, pumps, dehumidifiers, metallic products, plastic products and vitreous linings.
- Turcat Polyester Sanayi Ve Ticaret A.S., with registered offices in Istanbul (Turkey), the statutory activity of which is the production, import, export and commercialisation of products and accessories, purification filters and chemical products.
- Europeenne de Couvreurs Automatiques, S.A.R.L., with registered offices in Perpignan (France), the statutory activity of which is the manufacture of motorised swimming pool covers.
- Rotoplastics, S.L. with registered offices in Saint Antonin Noble Val (France), the statutory activity of which is the manufacture of swimming-pool and water treatment materials.

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Details of the registered offices and statutory activity
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- Aquant Trading Co. LTD, with registered offices in Shanghai (China), the statutory activity of which is the commercialisation, import and export of swimming pool equipment, accessories and other swimming pool sector-related components, together with the rendering of services related to its statutory activity.
- Ningbo Dongchuan Swimmingpool, with registered offices in Ningbo (China), the statutory activity of which is the manufacture and installation of swimming pool equipment, brushes, plastic and aluminium products, industrial thermometers, water disinfection equipment and water testing equipment. It also imports and exports technology for its own use or as an agent.
- ID Electroquímica, S.L., with registered offices in Alicante (Spain), the statutory activity of which is the sale of all kinds of machinery for the development of electrochemical processes and reactors.
- Pacific Industries, S.A.S, with registered offices in Boulazac (France), the statutory activity of which is the manufacture and storage of water treatment materials, filtration equipment and domestic and industrial accessories.
- Swimco Corp., S.L., with registered offices in Munguia (Vizcaya) the statutory activity of which involves the holding and use of shares, securities and other interests and advising, managing and administering the companies in which it has an interest.
- Meip Internacional, S.L., with registered offices in Barberà del Vallès (Barcelona), dedicated to the sale of swimming pool-related products, materials and accessories.
- Manufacturas Gre, S.A., with registered offices in Munguia (Vizcaya), the statutory activity of which involves the manufacture and commercialisation of swimming pool-related products, materials and accessories.
- Gre, Aqua and Pool, S.L. with registered offices in Munguia Vizcaya (Spain), the principal activity of which is identical to the statutory activity consisting of the distribution and sale of swimming pools and spas.
- European Corner, S.A., with registered offices in Sabadell (Barcelona), the statutory activity of which is the holding and use of stocks and shares and advising, managing and administering the companies in which it has an interest.
- Certikin Internacional, Ltd., with registered offices in Witney Oxon (England), the principal activity of which is the commercialisation of swimming pool-related products.
- Hydrosim International, S.A.S. (formerly MMC, S.A.S.), with registered offices in La Chevroliere (France), the principal activity of which involves the manufacture and commercialisation of swimming pool filters and pumps.
- Industrias Mecánicas Lago, S.A., with registered offices in Sant Julià de Ramis (Girona), the statutory activity of which involves the manufacture and commercialisation of water pumps, swimming pools and associated accessories.
- Certikin Ibérica S.L., with registered offices in Celrà (Girona), the principal activity of which is the commercialisation of swimming pool-related products.
- Comercial de Exclusivas Internacionales Blage, S.A. with registered offices on the Mas Puigvert Industrial Estate, Oeste, Parcela 3, nº 19, Palafolls, Barcelona, the statutory activity of which is the distribution and assembly of swimming pool products.

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- Cepex Holding, S.A.U. with registered offices in La Garriga (Barcelona, Spain), the principal activity of which is the management of holding companies.
- Cepex, S.A.U. with registered offices in Granollers, Barcelona (Spain), the principal activity of which is the manufacture and distribution of injected plastics and in particular, plastic parts for valves.
- Foreplast, S.A.U., with registered offices in Les Franqueses del Vallès, Barcelona (Spain), the principal activity of which is the manufacture and distribution of injected plastics.
- Valvules i Racods Canovelles, S.A. with registered offices in La Garriga, Barcelona (Spain), the principal activity of which is the manufacture and distribution of injected plastics and in particular, plastic parts for valves.
- Manufactures de Plastics Sola, S.A.U., with registered offices in Vic, Barcelona (Spain), the principal activity of which is the manufacture of moulds for fluid conduction.
- Pro Cepex, S.A.R.L., with registered offices in Casablanca (Morocco), the principal activity of which is the commercialisation of fluid conduction products.
- Ningbo Xi Pei Valves and Fittings, with registered offices in Beilun, Ningbo (China), the principal activity of which is the manufacture and assembly of valves, accessories and moulds and their commercialisation and after-sales service.
- Cepex Comercial, S.A.U., with registered offices in Les Garrigues, Barcelona (Spain), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex Portugal, with registered offices in Palmela, Setúbel (Portugal), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex S.R.L., with registered offices in Bedizzole, Brescia (Italy), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex France, S.A.S with registered offices in Nimes (France), the principal activity of which is the commercialisation of piping products.
- Cepex USA Inc. with registered offices in Jacksonville, Florida (USA), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex Mexico, S.A. de CV. with registered offices in Mexico City (Mexico), the principal activity of which is the commercialisation of fluid conduction products.
- Agro Cepex, S.A.R.L., with registered offices in Casablanca (Morocco), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex GmbH with registered offices in Munich (Germany), the principal activity of which is the commercialisation of piping products.
- Cepex Middle East, F.Z.E., with registered offices in Dubai (United Arab Emirates), the principal activity of which is the commercialisation of fluid conduction products.
- Pexce Inmobiliaria, S.L. with registered offices in Les Garrigues, Barcelona, (Spain), the principal activity of which is the acquisition and sale of real estate property.
- Cepexser, S.L., with registered offices in Les Garrigues, Barcelona (Spain), the principal activity of which is the rendering of services to its shareholders.

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Details of the registered offices and statutory activity
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- Master Riego, S.A. with registered offices in Algete, calle El Nogal número 3, nave 2, polígono industrial Los Nogales (Madrid, Spain), the activity of which is the commercialisation of all types of sprinkler irrigation materials.
- Irrigaronne, S.A.S. with registered offices at Zone Industriekke 47550, 47000 Agen (France), the activity of which is the assembly and repair of hydraulic plant for irrigation, agricultural irrigation and mechanised agriculture.
- Neokem Grup, S.A., with registered offices in Barberá del Vallés, Barcelona (Spain), the principal activity of which is the rendering of administrative management services.
- Inquide, S.A., with registered offices in calle Mogoda 75 in Barberá del Vallés, Barcelona (Spain), the principal activity of which is the manufacture of products and chemical specialties in general, with the exclusion of pharmaceuticals.
- Inquide Flix, S.A. with registered offices in calle Mogoda 75 in Barberá del Vallés, Barcelona (Spain), the principal activity of which is the manufacture, purchase, sale, distribution and commercialisation of trichloroisocyanuric acid.
- Iwerquímica, S.L., with registered offices at calle Río Gállego, 27 in Cuarte de Huerva (Zaragoza), the principal activity of which is the manufacture and commercialisation of chemical products for water disinfection.
- CTX, S.A. with registered offices in calle Pintor Fortuny 6 in Polinyà, Barcelona, (Spain), the principal activity of which is the commercialisation of chemical water disinfection products.
- CTX Piscine, S.A.R.L., with registered offices in Perpignan (France), the principal activity of which is the commercialisation of chemical water disinfection products.
- CTX Chemicals, S.R.L., with registered offices in Bedizzole, Brescia (Italy), the principal activity of which is the commercialisation of chemical water disinfection products.
- Aquambiente, S.A. with registered offices in Estrada Nacional 249 – Parque Industrial Cabra Figa, Lote 15 Cabra Figa (Portugal), the principal activity of which is the commercialisation of chemical water disinfection products.
- Waterchem, S.L., with registered offices at calle Mogoda 75 in Barberá del Vallés, (Barcelona), the principal activity of which is the rendering of services to group companies.
- SNTE Agua Group, S.A. with registered offices at C/Mogoda 75 P.Industrial Can Salvatella (Barberà del Vallès - Spain), the principal activity of which is the holding of shares in group companies.
- Servaqua, S.A.U., with registered offices in C/Industria S/N P. Ind La Coromina, Balsareny (Spain), the principal activity of which is the commercialisation and manufacture of water treatment filters and accessories.
- Membrane Concepts, S.L., with registered offices in C/Industria S/N P. Ind. La Coromina, Balsareny, (Spain), the principal activity of which is the research, development and operating of water treatment products, methods and procedures.
- Grupsente, S.L. with registered offices in C/Mogoda 75 P. Industrial Can Salvatella, Barberà del Vallès (Spain), the principal activity of which is the rendering of services for Snte Group companies.

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- Astramatic, S.A.U., with registered offices in C/ Mogoda 75, P. Industrial Can Salvatella, Barberà del Vallès (Spain), the principal activity of which is the commercialisation and manufacture of industrial water treatment equipment and items to be applied in the water sector.
- S. C.I. Cerisay, with registered offices in Avenue Maurice Bellonte, Perpignan, (France), the principal activity of which is the holding of real estate securities.
- SNTE España, S.L. with registered offices in C/Mogoda 75, P. Industrial Can Salvatella, Barberà del Vallès (Spain), the principal activity of which is the manufacture and commercialisation of equipment for the treatment of household water supplies.
- ATH Aplicaciones Técnicas Hidráulicas, S.L. with registered offices in Cervelló, Calle Joan Torruella I Urbina, 31 (Barcelona, Spain), the activity of which is the retailing and wholesale of machinery, materials, equipment and accessories for water installations and treatment.
- Trace Logistics, S.A., with registered offices in Massanet de la Selva (Girona), the statutory activity of which involves holding third-party assets on deposit in its warehouses and premises to store, control and distribute them to third parties at the request of its depositors, performing storage, loading and unloading and other associated tasks required to manage the distribution of these assets following the instructions of the depositors, as well as contracting and managing transport services.
- AP Immobiliere, with registered offices in Perpignan (France), the statutory activity of which is the development and rental of real estate.
- ADBE Cartera, S.A.U. with registered offices Sabadell (Spain), the principal activity of which is the rendering of administrative, legal, fiscal and financial advisory services.
- Dispreau, G.I.E. with registered offices in Perpignan (France), the principal activity of which is the rendering of administration services, providing legal, tax and financial advice, personnel management and training and IT services.
- Prohogar, S.L., with registered offices in Sabadell (Spain), operates in the real estate sector.
- Fluidra Services, S.A.U., with registered offices in Sabadell (Spain), mainly dedicated to rendering administration services and providing legal, tax and financial advice, personnel management and training and IT services.
- Accent Graphic, S.L., with registered offices in Santa Perpètua de Mogoda (Spain), dedicated to rendering all types of advertising and graphic design services. Responsible for the corporate image of the Astral Group by designing price lists, catalogues, etc.
- Control Pools, S.A., with registered offices in Polinyà (Barcelona), mainly dedicated to manufacturing precision measurement and control instruments for swimming pools.
- Inmobiliaria Swim 38, S.L.U., with registered offices in Sabadell (Barcelona), the statutory activity of which is the development and rental of real estate.

Associates

- Astral Nigeria, Ltd, with registered offices in Surulere-Lagos (Nigeria), the principal activity of which is the commercialisation of swimming pool-related products.

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- Inquevap, A.I.E, with registered offices in Monzón (Huesca), the principal activity of which is electricity cogeneration.

Jointly-controlled companies

- Schwimmbad-Sauna-Ausstattungs, GMBH, with registered offices in Salzburg (Austria), the principal activity of which is the commercialisation of swimming pool products. This company is jointly managed with Mr Helmut Brabenetz and Mr Walter Brabenetz.

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Details of the registered offices and statutory activity
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Fully consolidated subsidiaries

- Astral Pool, S.A.U., with registered offices in Sabadell (Barcelona), dedicated to the holding and use of stocks and shares and advising, managing and administering the companies in which it has an interest.
- Astral Pool España, S.A.U., with registered offices in Polinyà (Barcelona), dedicated to the manufacture, sale and purchase and distribution of all types of machinery, equipment, components and parts of machinery, instruments, accessories and specific products for swimming pools, irrigation, and water treatment and purification systems.
- SCI 11 Rue Denfert Rochereau, with registered offices in Saint Dennis (France), operates in the real estate sector.
- Astral Piscine, S.A.S., with registered offices in Perpignan (France), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Astral Pool Belgique, S.R.L. with registered offices in Carcelles (Belgium), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Astral UK, Ltd., with registered offices in Hants (England), the statutory activity of which involves the manufacture, sale and purchase, distribution commercialisation, export and import of all types of swimming pool-related products.
- Mercamaster Group, S.L.U., with registered offices in Sabadell (Barcelona), the statutory activity of which involves commercial and service intermediation.
- Astral Pool Deutschland, GMBH, with registered offices in Hirschberg (Germany), the statutory activity of which involves the manufacture, sale and purchase, distribution commercialisation, export and import of all types of swimming pool-related products.
- Astral Italia, S.P.A., with registered offices in Brescia (Italy), the statutory activity of which involves the manufacture, sale and purchase, distribution commercialisation, export and import of all types of swimming pool-related products.
- Astral Service, S.R.L., with registered offices in Brescia (Italy), the statutory activity of which involves rendering services and conducting real estate activities.
- Astral Pool Switzerland, S.A., with registered offices in Bedano (Switzerland), the principal activity of which is the commercialisation of swimming pool-related materials.
- Astral Export, S.A., with registered offices in Barberà del Vallés (Spain) is dedicated to trading all type of products and goods on both domestic and foreign markets, whilst its principal activity involves the commercialisation of swimming pool-related products, basically acquired from related companies.
- Astral Middle East, Fze., with registered offices in Jebel Ali (Dubai), dedicated to the commercialisation of equipment for swimming pools and water treatment and related accessories.
- Astral Havuz Ekipmanlari, S.V.T.A., with registered offices in Kartal (Turkey), dedicated to the import of equipment, chemical products and other accessories for swimming pools, for their subsequent distribution.

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- Maghrebine Des Equipements d'Eau, S.A.R.L., with registered offices in Casablanca (Morocco), the statutory activity of which is the import, export, manufacture, commercialisation, sale and distribution of parts for swimming pools, irrigation and water treatment systems.
- Astral Bazénové Príslusenství Spol, S.R.O., with registered offices in Prague (the Czech Republic), the principal activity of which is the commercialisation of swimming pool-related accessories.
- Astral Scandinavia, A/S, with registered offices in Roedekro (Denmark), importer of technical components and equipment for all types of water treatment processes.
- Zao "Astral Sng", with registered offices in Moscow (Russia), the principal activity of which is the purchase of swimming pool-related materials for their subsequent sale on the national market.
- Magyar Astral Pool, Kft., with registered offices in Budapest (Hungary), the principal activity of which is the commercialisation and assembly of machinery and accessories for swimming pools, irrigation and water treatment and purification systems.
- Astral Pool Polska SP, Z.o.o., with registered offices in Wrocław (Poland), the principal activity of which is the commercialisation of swimming pool-related accessories.
- Astral Pool Chile, S.A., with registered offices in Santiago de Chile (Chile), the principal activity of which is the distribution and commercialisation of products for swimming pools, irrigation and water treatment and purification systems.
- Astral Pool México, S.A. de C.V., with registered offices in Tlaquepaque (Mexico), the principal activity of which is the commercialisation of swimming pool-related materials.
- Astral Products, Inc., with registered offices in Jacksonville (USA), dedicated to the commercialisation of swimming pool-related products and accessories.
- Astral India PVT LTD, with registered offices in Mumbai (India), the principal activity of which is the commercialisation of swimming pool-related materials.
- Marazul Importação, Exportação, Comércio e Indústria Limitada, with registered offices in São Domingo da Rana (Portugal), dedicated to the manufacture, sale and purchase, distribution commercialisation, export and import of all types of swimming pool-related products.
- Pool Supplier, S.L.U., with registered offices in Polinyà (Barcelona), dedicated to the sale and purchase of swimming pool-related products and the distribution of these products among group companies.
- Astral Pool Group, S.L.U., with registered offices in Sabadell (Spain), the statutory activity of which involves economic support by rendering administration services, providing legal, financial and accounting advisory services, managing and training personnel, and providing IT, R&D and marketing services.
- Astral Pool Hellas, S.A., with registered offices in Aspropyrgos (Greece), the principal activity of which is the distribution of swimming pool accessories.
- Ya Shi Tu (Ningbo Water Treatment Equipment, LTD), with registered offices in Donquiao Town (China), the principal activity of which is the commercialisation of swimming pool-related products.

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- Catpool SA de C.V. with registered offices in Mexico DF (Mexico), the principal activity of which is the purchase, sale and distribution of chemical products related with the maintenance of swimming pools and water systems.
- Astral Pool Australia PTY LTD, with registered offices in Melbourne (Australia), the principal activity of which is the purchase, sale, production and distribution of machinery, equipment, products and special equipment for the maintenance of swimming pools and water systems.
- Astral Pool Hongkong CO. LTD, with registered offices in Hong Kong (Hong Kong), the principal activity of which is the commercialisation of swimming pool-related accessories.
- Astral Pool Singapore PTE LTD, registered offices in Singapore (Singapore), the principal activity of which is the commercialisation of swimming pool accessories.
- Astral Pool Balkans JSK, with registered offices in Plovdiv (Bulgaria), the principal activity of which is the purchase, sale and distribution of machinery, equipment, materials, products and special equipment for the maintenance of swimming pools and water systems.
- Ya Shi Tu Swimming Pool Equipment (Shanghai) Co. Ltd with registered offices in Tower E, Building 18, No. 238, Nandandong Raod, Xu Hui District (Shanghai), the principal activity of which is the commercialisation of swimming pool products.
- MTH Moderne Wassertechnik AG, with registered offices in Gilching (Germany), the principal activity of which is the sale and purchase, manufacture and distribution of machinery, equipment, products and special maintenance equipment for swimming pools and water systems.
- Blue Water Parts, S.A.S., with registered offices in Villeurbanne (France), mainly dedicated to selling replacement materials for swimming pools.
- Astra Pools Cyprus, LTD with registered offices in Limassol (Cyprus), the principal activity of which is the commercialisation of swimming pool accessories.
- Metalast, S.A.U., with registered offices in Polinyà (Barcelona), dedicated to the manufacture of metal products, piping and street furniture, and the wholesale of accessories.
- Unipen, S.L.U., with registered offices in Polinyà (Barcelona), the statutory activity of which is the development and rental of real estate.
- Poltank, S.A.U., with registered offices in Tortellà (Girona), the statutory activity of which involves the manufacture and commercialisation of swimming pool filters by injection-moulding, projection or lamination.
- Sacopa, S.A.U., with registered offices in Sant Jaume de Llierca (Girona), the principal activity of which is the transformation and commercialisation of plastic materials.
- Unistral Recambios, S.A.U., with registered offices in Massanet de la Selva (Girona), the statutory activity of which involves the manufacture, sale and purchase and distribution of machinery, accessories, spare parts, components and specific products for the treatment and purification of water.

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Details of the registered offices and statutory activity
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- Revicer, S.L., with registered offices in Arganda del Rey (Madrid), dedicated to the manufacture and commercialisation, sale and distribution of various sized tiles and other materials for the construction industry.
- Talleres del Agua, S.L., with registered offices in Polígono Industrial de Barros, Ayuntamiento de los Corrales de Buelna (Cantabria), the statutory activity of which involves the construction, sale, installation, conditioning and maintenance of swimming pools, as well as the manufacture, sale and purchase, import and export of all types of swimming pool-related tools.
- Maber Plast, S.L., with registered offices in Sant Joan les Fonts (Girona), the principal activity of which is the transformation of plastic materials.
- Togama, S.A., with registered offices in Villareal (Castellón), the statutory activity of which is the manufacture of ceramic insulators and insulating parts for electrical installations.
- Llierca Naus, S.A., with registered offices in Sant Jaume de Llierca (Girona), rents its industrial buildings to several group companies.
- Exex Pool, S.L., with registered offices in Polinyà (Barcelona), the statutory activity of which involves rendering administration services, providing legal, financial and accounting advisory services, managing and training personnel, and providing IT, R&D and marketing services.
- Auric Pool, S.A.U., with registered offices in Polinyà (Barcelona), dedicated to the holding and use of shares and advising, managing and administering the companies in which it has an interest.
- Productes Elastomers, S.A., with registered offices in Sant Joan Les Fonts (Girona), dedicated to the manufacture of moulded rubber parts and all types of natural and synthetic rubber items, the implementation and development of techniques for maintaining, repairing and adjusting pressure chambers, and in general, the preparation, manufacture and transformation of all types of rubber and plastic products.
- Ningbo Linya Swimming Pool & Water Treatment Co. Ltd., with registered offices in Ningbo (China), the statutory activity of which is the design, research and development and manufacture of equipment for swimming pools and water disinfection, pumps, dehumidifiers, metallic products, plastic products and vitreous linings.
- Turcat Polyester Sanayi Ve Ticaret A.S., with registered offices in Istanbul (Turkey), the statutory activity of which is the production, import, export and commercialisation of products and accessories, purification filters and chemical products.
- Europeenne de Couverteurs Automatiques, S.A.R.L., with registered offices in Perpignan (France), the statutory activity of which is the manufacture of motorised swimming pool covers.
- Rotoplastics, S.L. with registered offices in Saint Antonin Noble Val (France), the statutory activity of which is the manufacture of swimming-pool and water treatment materials.
- Aquant Trading Co. LTD, with registered offices in Shanghai (China), the statutory activity of which is the commercialisation, import and export of swimming pool equipment, accessories and other swimming pool sector-related components, together with the rendering of services related to its statutory activity.

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- Ningbo Dongchuan Swimmingpool, with registered offices in Ningbo (China), the statutory activity of which is the manufacture and installation of swimming pool equipment, brushes, plastic and aluminium products, industrial thermometers, water disinfection equipment and water testing equipment. It also imports and exports technology for its own use or as an agent.
- ID Electroquímica, S.L., with registered offices in Alicante (Spain), the statutory activity of which is the sale of all kinds of machinery for the development of electrochemical processes and reactors.
- Pacific Industries, S.A.S, with registered offices in Boulazac (France), the statutory activity of which is the manufacture and storage of water treatment materials, filtration equipment and domestic and industrial accessories.
- Swimco Corp., S.L., with registered offices in Munguia (Vizcaya) the statutory activity of which involves the holding and use of shares, securities and other interests and advising, managing and administering the companies in which it has an interest.
- Meip Internacional, S.L., with registered offices in Barberà del Vallès (Barcelona), dedicated to the sale of swimming pool-related products, materials and accessories.
- Manufacturas Gre, S.A., with registered offices in Munguia (Vizcaya), the statutory activity of which involves the manufacture and commercialisation of swimming pool-related products, materials and accessories.
- Gre, Aqua and Pool, S.L. with registered offices in Munguia, Vizcaya (Spain), the principal activity of which is identical to the statutory activity consisting of the distribution and sale of swimming pools and spas.
- Swimming Pool Equipment Italy, S.R.L. with registered offices in Brescia (Italy), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, as well import and export of all types of swimming pool-related products.
- Me 2000, S.R.L. with registered offices in Brescia (Italy), the statutory activity of which is the development and rental of real estate.
- Certikin Internacional, Ltd., with registered offices in Witney Oxon (England), the principal activity of which is the commercialisation of swimming pool-related products.
- Hydrosim International, S.A.S. (formerly MMC, S.A.S.), with registered offices in La Chevroliere (France), the principal activity of which involves the manufacture and commercialisation of swimming pool filters and pumps.
- Industrias Mecánicas Lago, S.A., with registered offices in Sant Julià de Ramis (Girona), the statutory activity of which involves the manufacture and commercialisation of water pumps, swimming pools and associated accessories.
- Certikin Pool Ibérica S.L., with registered offices in Palafolls (Barcelona), the principal activity of which is the commercialisation of swimming pool-related products.
- Comercial de Exclusivas Internacionales Blage, S.A. with registered offices on the Mas Puigvert Industrial Estate, Oeste, Parcela 3, nº 19, Palafolls, Barcelona, the statutory activity of which is the distribution and assembly of swimming pool products.

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- Certikin Swimming Pool Products India Private Limited, with registered offices in Bangalore (India), the principal activity of which is the commercialisation of swimming pool-related products.
- Cepex Holding, S.A.U. with registered offices in La Garriga (Barcelona, Spain), the principal activity of which is the management of holding companies.
- Cepex, S.A.U. with registered offices in Granollers, Barcelona (Spain), the principal activity of which is the manufacture and distribution of injected plastics and in particular, plastic parts for valves.
- Valvules i Racords Canovelles, S.A. with registered offices in La Garriga, Barcelona (Spain), the principal activity of which is the manufacture and distribution of injected plastics and in particular, plastic parts for valves.
- Manufactures de Plastics Sola, S.A.U., with registered offices in Vic, Barcelona (Spain), the principal activity of which is the manufacture of moulds for fluid conduction.
- Pro Cepex, S.A.R.L., with registered offices in Casablanca (Morocco), the principal activity of which is the commercialisation of fluid conduction products.
- Ningbo Xi Pei Valves and Fittings, with registered offices in Beilun, Ningbo (China), the principal activity of which is the manufacture and assembly of valves, accessories and moulds and their commercialisation and after-sales service.
- Cepex Comercial, S.A.U., with registered offices in La Garriga, Barcelona (Spain), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex Portugal, with registered offices in Quinta do Anjo (Portugal), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex S.R.L., with registered offices in Bedizzole, Brescia (Italy), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex USA Inc. with registered offices in Jacksonville, Florida (USA), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex Mexico, S.A. de CV. with registered offices in Mexico City (Mexico), the principal activity of which is the commercialisation of fluid conduction products.
- Agro Cepex, S.A.R.L., with registered offices in Casablanca (Morocco), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex GmbH with registered offices in Munich (Germany), the principal activity of which is the commercialisation of piping products.
- Cepex Middle East, F.Z.E., with registered offices in Dubai (United Arab Emirates), the principal activity of which is the commercialisation of fluid conduction products.
- Master Riego, S.A. with registered offices in Algete, calle El Nogal número 3, nave 2, polígono industrial Los Nogales (Madrid, Spain), the activity of which is the commercialisation of all types of sprinkler irrigation materials.
- Irrigaronne, S.A.S. with registered offices at Zone Industriekke 47550, 47000 Agen (France), the activity of which is the assembly and repair of hydraulic plant for irrigation, agricultural irrigation and mechanised agriculture.

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- Neokem Grup, S.A., with registered offices in Barberá del Vallés, Barcelona (Spain), the principal activity of which is the rendering of administrative management services.
- Inquide, S.A., with registered offices in Polinyà, Barcelona (Spain), the principal activity of which is the manufacture of products and chemical specialties in general, with the exclusion of pharmaceuticals.
- Inquide Flix, S.A. with registered offices at calle Mogoda 75 in Barberá del Vallés, Barcelona (Spain), the principal activity of which is the manufacture, purchase, sale, distribution and commercialisation of trichloroisocyanuric acid.
- Iwerquímica, S.L., with registered offices at calle Río Gállego, 27 in Cuarte de Huerva (Zaragoza), the principal activity of which is the manufacture and commercialisation of chemical products for water disinfection.
- CTX, S.A. with registered offices in calle Pintor Fortuny 6 in Polinyà, Barcelona, (Spain), the principal activity of which is the commercialisation of chemical water disinfection products.
- SENTEX, S.A.R.L., with registered offices in Perpignan (France), the principal activity of which is the commercialisation of chemical water disinfection products.
- CTX Chemicals, S.R.L., with registered offices in Bedizzole, Brescia (Italy), the principal activity of which is the commercialisation of chemical water disinfection products.
- Aquambiente, S.A. with registered offices in Estrada Nacional 249 – Parque Industrial Cabra Figa, Lote 15 Cabra Figa (Portugal), the principal activity of which is the commercialisation of chemical water disinfection products.
- Waterchem, S.L., with registered offices at calle Mogoda 75 in Barberá del Vallés, (Barcelona), the principal activity of which is the rendering of services to group companies.
- SNTE Agua Group, S.A, with registered offices at C/Mogoda 75 P.Industrial Can Salvatella (Barberá del Vallés - Spain), the principal activity of which is the holding of shares in group companies.
- Servaqua, S.A.U., with registered offices in C/Industria S/N P. Ind La Coromina, Balsareny (Spain), the principal activity of which is the commercialisation and manufacture of water treatment filters and accessories.
- Grupsenté, S.L. with registered offices in C/Mogoda 75 P. Industrial Can Salvatella, Barberá del Vallés (Spain), the principal activity of which is the rendering of services for Snte Group companies.
- Astramatic, S.A.U., with registered offices in C/ Mogoda 75, P. Industrial Can Salvatella, Barberá del Vallés (Spain), the principal activity of which is the commercialisation and manufacture of industrial water treatment equipment and items to be applied in the water sector.
- S. C.I. Cerisay, with registered offices in Avenue Maurice Bellonte, Perpignan, (France), the principal activity of which is the holding of real estate securities.
- SNTE España, S.L. with registered offices in C/Mogoda 75, P. Industrial Can Salvatella, Barberá del Vallés (Spain), the principal activity of which is the manufacture and commercialisation of equipment for the treatment of household water supplies.

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- ATH Aplicaciones Técnicas Hidráulicas, S.L. with registered offices in Cervelló, Calle Joan Torruella I Urbina, 31 (Barcelona, Spain), the activity of which is the retailing and wholesale of machinery, materials, equipment and accessories for water installations and treatment.
- Calderería Plástica del Norte, S.L. with registered offices in Rentería (Guipúzcoa, Spain), the principal activity of which is the manufacturing and commercialisation of plastic utensils for water purification and treatment.
- Trace Logistics, S.A., with registered offices in Massanet de la Selva (Girona), the statutory activity of which involves holding third-party assets on deposit in its warehouses and premises to store, control and distribute them to third parties at the request of its depositors, performing storage, loading and unloading and other associated tasks required to manage the distribution of these assets following the instructions of the depositors, as well as contracting and managing transport services.
- AP Immobiliere, with registered offices in Perpignan (France), the statutory activity of which is the development and rental of real estate.
- ADBE Cartera, S.A.U. with registered offices Sabadell (Spain), the principal activity of which is the rendering of administrative, legal, fiscal and financial advisory services.
- Dispreau, G.I.E. with registered offices in Perpignan (France), the principal activity of which is the rendering of administration services, providing legal, tax and financial advice, personnel management and training and IT services.
- Prohogar, S.L., with registered offices in Sabadell (Spain), operates in the real estate sector.
- Fluidra Services, S.A.U., with registered offices in Sabadell (Spain), mainly dedicated to rendering administration services and providing legal, tax and financial advice, personnel management and training and IT services.
- Accent Graphic, S.L., with registered offices in Santa Perpètua de Mogoda (Spain), dedicated to rendering all types of advertising and graphic design services. Responsible for the corporate image of the Astral Group by designing price lists, catalogues, etc.
- Inmobiliaria Swim 38, S.L.U., with registered offices in Sabadell (Barcelona), the statutory activity of which is the development and rental of real estate.
- Fluidra France, S.A.S. with registered offices in Perpignan (France), the principal activity of which is the rendering of administration, legal, tax, financial, management, personnel training and IT services.

Equity accounted associates

- Astral Nigeria, Ltd, with registered offices in Surulere-Lagos (Nigeria), the principal activity of which is the commercialisation of swimming pool-related products.
- Inquevap, A.I.E, with registered offices in Monzón (Huesca), the principal activity of which is electricity cogeneration.

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- Laminats de Catalunya, S.L., with registered offices in Amposta (Tarragona), the statutory activity of which is the design, manufacture and distribution of all types products involving compound materials and their components, applications, by-products and auxiliary materials required for their manufacture.

Proportionally consolidated jointly-controlled companies

- Schwimmbad-Sauna-Ausstattungs, GMBH, with registered offices in Salzburg (Austria), the principal activity of which is the commercialisation of swimming pool products. This company is jointly managed with Mr Helmut Brabenetz and Mr Walter Brabenetz.

FLUIDRA, S.A.
Details of investments and positions of Directors in other companies
31 December 2008

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Name	Company	% ownership %	Position held
Eloy Planes Corts	Astral Nigeria, Ltd.	---	Director
	Maghrebine Des Equipments D'eau, S.A.R.L.	---	Joint and several director
	Fluidra Italia, S.R.L.	---	Sole director
	Astral Italia, S.P.A.	---	Sole director
	Astral Bazenove Prislusentsvi, S.R.O.	---	Joint and several director
	Astral India Private, Limited	---	Director
	Astral Pool Singapore, Pte Ltd.	---	Director
	Astral Piscine, S.A.S.	---	Sole director
	Certikin International, Limited	---	Director
	AP Immobiliere	---	Sole director
	Turcat Polyester Sanayi Ve Ticaret Anonim Sirketi	---	Director
	Cepex USA, Inc.	---	Director
	Zao Astral, SNG	---	Director
	Astral Pool Polska, S.A.	---	Director
	Astral Pool México, S.A. de C.V.	---	Director
	Inmobiliaria Tralsa, S.A.	---	Several director
	Astral Scandinavia AS/	---	Director
	Magyar Astral Pool, Kft.	---	Joint and several director
	Astral Products, Inc.	---	Director
	Astral Pool Chile, Sociedad Anónima Cerrada	---	Director
	Manufacturas Gre, S.A.U.	---	Sole director
	ADBE Cartera, S.A.U.	---	Sole director
	Aquaambiente Tratamiento de aguas o soluções para o ambiente, S.A.	---	Director
	Astal Pool Group, S.L.U.	---	Sole director
	Fluidra Services, S.A.U.	---	Director
	Prohogar, S.L.	---	Sole director
	Astral Pool Deutschland GmbH	---	Joint and several director
	Astral Equipment Australia Pty, Ltd.	---	Director
	Astral Pool Hellas	---	Director
	Astral Pool Balkans JSC	---	Director

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Name	Company	% ownership %	Position held
	Moderne Wassertechnik AG (MTH)	---	Director
	Catpool, S.A. de C.V.	---	Director
	Astral pool UK, Limited	---	Director
	Marazul, Lda.	---	Sole director
	Gre Aqua and Pool, S.L.U.	---	Sole director
	SNTE Agua Group, S.A.U.	---	Sole director
	European Corner, S.A.U.	---	Sole director
	Astral Pool España, S.A.U.	---	Sole director
	Cepex Holding, S.A.U.	---	Sole director
	Neokem Grup, S.A.U.	---	Sole director
	Auric Pool, S.A.U.	---	Sole director
	Astral Pool, S.A.U.	---	Sole director
	Manufacturas Gre, S.A.U.	---	Sole director
	Astral Export, S.A.	---	Sole director
	Mercamaster Group, S.L.U.	---	Sole director
	Pool Supplier, S.L.U.	---	Sole director
	Inmobiliaria Swim 38, S.L.U.	---	Sole director
	Swimco Corp, S.L.	---	Sole director
	Dispur, S.L.	10%	Board member
	Fluidra France, S.A.S.	---	Sole director
	Ya Shi Tu Swimming Pool Equipment (Shangai) Co, Ltd	---	Sole director
	Astralpool Cyprus, Ltd	---	Director
	CTX Chemicals, SRL	---	Director
	Cepex, S.R.L.	---	Director
	Certikin Italia, Spa	---	Director
	Astral Pool Thailand, Co., Ltd	---	Joint and several director
	Fluidra Thailand, Co., Ltd	---	Joint and several director
	Astral South Africa, Pty, Ltd	---	Joint and several director
	Estam-Haritz, S.L.U.	---	Sole director

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Name or company name of director	Company name	% ownership	Position held
Mr. Juan Planes Vila	<ul style="list-style-type: none"> - Dispur, S.L. - Preblau, S.L. - Aqualink, S.L. - Fundació Privada St. Vicenç d'Estamariu - Stick Stock 98, S.L. - Granja Estamariu, S.C.C.L. - Constralsa, S.R.L. - Faders, S.A. - SCI L'Etoile - Glops Estamariu, S.L. 	51.34% 95% indirect 18%	Chairman --- --- Chairman Board member (repr. Dispur) Chairman Chairman (repr. Dispur) Chairman (repr. Dispur) Manager Chairman (repr. Dispur)
Mr. Oscar Serra Duffo	<ul style="list-style-type: none"> - Boyser, S.R.L. - Consultoria de Servicios O. Serra, S.L.U. - Gratan, S.L. - Luri 3, S.A. 	5% 100% 25%	Chairman of board of directors Director Director Director
Mr. Bernardo Corbera Serra	<ul style="list-style-type: none"> - Beran Cartera, S.L. - Edrem, S.L. - Inmobiliaria Tralsa, S.A. - Luri 3, S.A. 	100% 7.947%	Sole director Director Delegado Several director Chairman
Mr. Bernat Garrigós Castro	ANIOL, S.L.	14%	Managing director
BanSabadell Inversió Desenvolupament, S.A.	Companyia D'aigües De Sabadell, S.A.	7.07%	---
Mr. Juan Ignacio Acha-Orbea Echevarría	---	--	--
Mr. Kam Son Leong	General Electric Pro-Logic Vast Laba HI Partners Henan ADD Power Equipment Deluxe International	0% 100% 100% 50% 10% 10%	Shareholder Director Director Director Chairman Director
Mr. Richard J. Cathcart	---	--	--