

Corporate Presentation



XVI Iberian Small & Mid Cap Conference, February 10-11, 2010



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2. Corporate Governance
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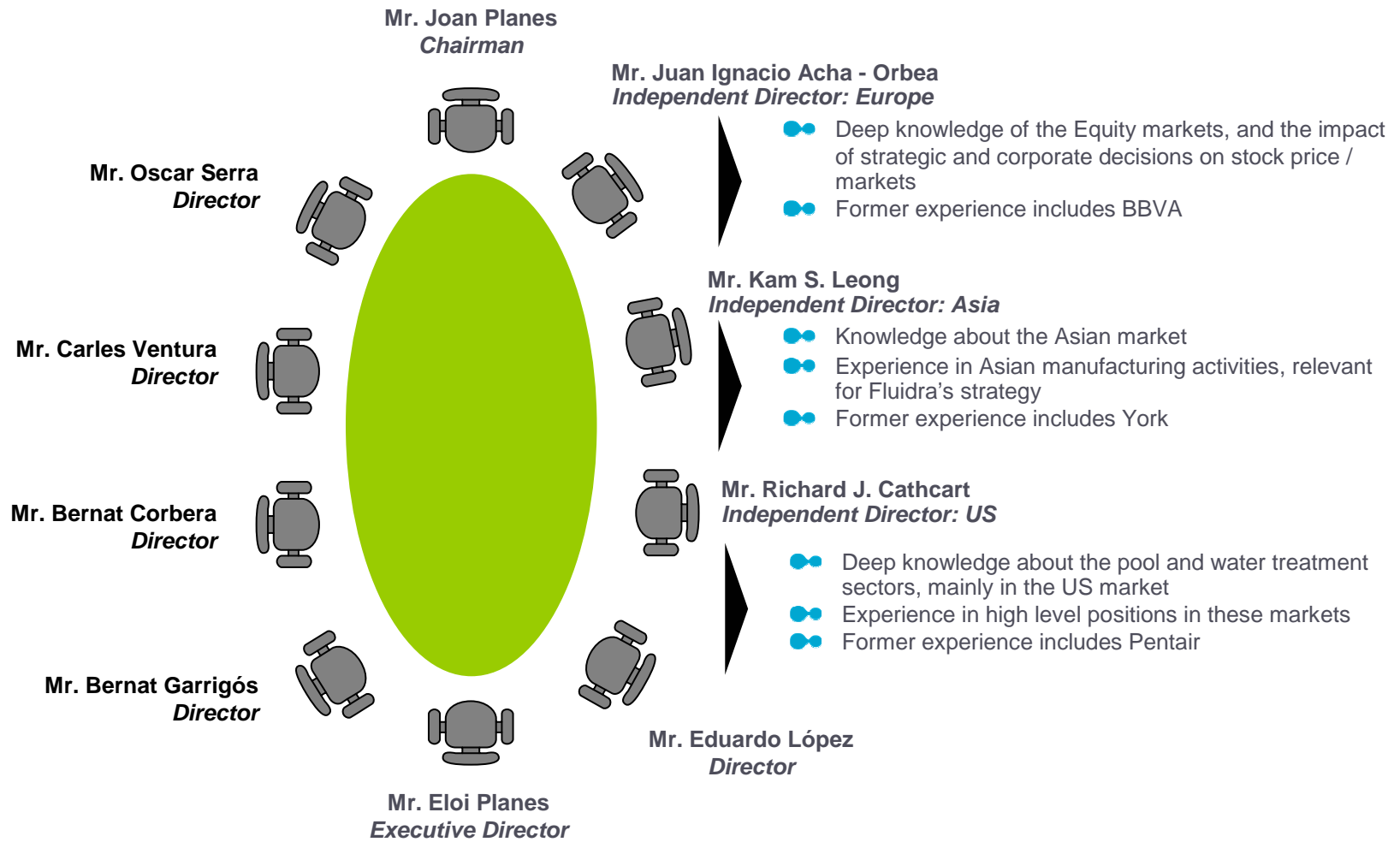
Fluidra at a Glance

	2007	2008
Financials	<p>€657,2M Revenues</p> <ul style="list-style-type: none"> ● Growth 2006-07: 25.9% <p>€94.6M EBITDA</p> <ul style="list-style-type: none"> ● Growth 2005-06:31.4% 	<p>€652.7M Revenues</p> <ul style="list-style-type: none"> ● Growth 07-08: -0.7% <p>€82.0M EBITDA</p> <ul style="list-style-type: none"> ● Growth 07-08: -13.4%
Mission statement	<ul style="list-style-type: none"> • Drive the community's progress through the sustainable use of Water in its recreational, domestic and industrial applications. 	
Business model	<ul style="list-style-type: none"> • Integrated business model with 4 business units: • Pool/Wellness , Water Treatment, Fluid Handling and Irrigation products 	
International footprint	<ul style="list-style-type: none"> • Products sold in c.170 different countries • Direct presence in 32 different countries through 155 distribution centers • More than 70% of revenues generated outside of Spain and 15% outside Europe • Leading worldwide player in Pool market (ex- US) and strong European position in other Water market segments 	
Customers	<ul style="list-style-type: none"> • Professional channel • Over 32,500 customers worldwide 	
Shareholder's structure	<ul style="list-style-type: none"> •BOD: - 4 family founders and Banco Sabadell - 58% (Agreement up to Oct 2011) - Caja Ahorros Navarra: 8% (entrance at BOD in AGM '09) •Other investors: Bestinver 6.6%, Aviva 3%, Costafreda Family 3% 	

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Corporate Governance – Board of Directors



Audit Committee

Juan Ignacio Acha-Orbea Echeverria– *Chairman*
 Carlos Ventura Santamans - *Member*
 Juan Planes Vila - *Member*

Nomination and Remuneration Committee

Richard Cathcart I- *Chairman*
 Bernat Garrigós Castro – *Member*
 Kam Son Leong - *Member*

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Strategy – Four key axis

1. To speed up our **Internationalisation** (sales, operations) and our **Diversification** of our product range on a global level (Business Units, Market segments, Business Concept)

- Incorporations & new openings.
- Looking for and activating new business concepts.
- Be present in large projects and seize opportunities.

2. To strengthen **our Innovation**, focusing on the market from a sustainability point of view.

- New product launches in 2010

3. Develop **Efficient processes** > “world class performance”

- New organisational structure
- Lean management

4. Maintain **Financial Strength**

- Cash Flow generation
- Net Debt reduction

Strategy - Business Units

Pool/Wellness



Conception, production and distribution of all components and accessories for residential and commercial pools and wellness centres.

Water Treatment



Solutions for the treatment of drinking or grey waters in domestic or industrial applications.

Irrigation



Complete and efficient irrigation systems, for agricultural and landscaping applications.

















Fluid Handling



Conception, manufacturing and distribution of parts necessary to carry water or an other liquid in whatever application.

Strategy - Business portfolio diversification

MARKET SEGMENTS

		Residential	Commercial	Agricultural	Industrial
BUSINESS UNITS	Pool / Wellness	  	 		
	Water Treatment				
	Irrigation				
	Fluid Handling				

Strategy – Incorporations and new openings



SWE	<ul style="list-style-type: none">Acquisition of Wayfit, specialised in turn-key projects for wellness and commercial pools
NEEMEA	<ul style="list-style-type: none">Own branch opened in South Africa
AAP	<ul style="list-style-type: none">Opening of a branch in ThailandCreation of Loitech, a production centre for heat pumps in China

Strategy – New business concepts

- **Wayfit**: turn-key projects Wellness & Commercial Pools
- **Alliances / Agreements**
 - Commercial agreement “Wayfit – Life Fitness”
 - Alliances with large hotel chains
- **Launch of the “Sustainable Swimming Pool” concept**
 - Publication of the “10-step-guide to a sustainable pool”
- **Blaufish**, product range for aquariums, marine zoos, ...
- **Launch of Idrania** as Fluidra’s brand for domestic water treatment

Strategy – International projects

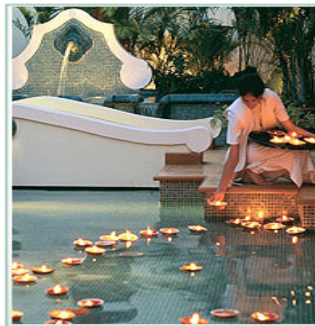
Wellness & Pool



APP - Spa Chairama (Colombia)



APP -Maldives: Hotel Shangri-la



APP - India Grand Hyatt Goa

Water Treatment



NEEMEA Water treatment for a Power Plant in Kenya





NEEMEA – Water treatment for an ecological camping site (Portugal)



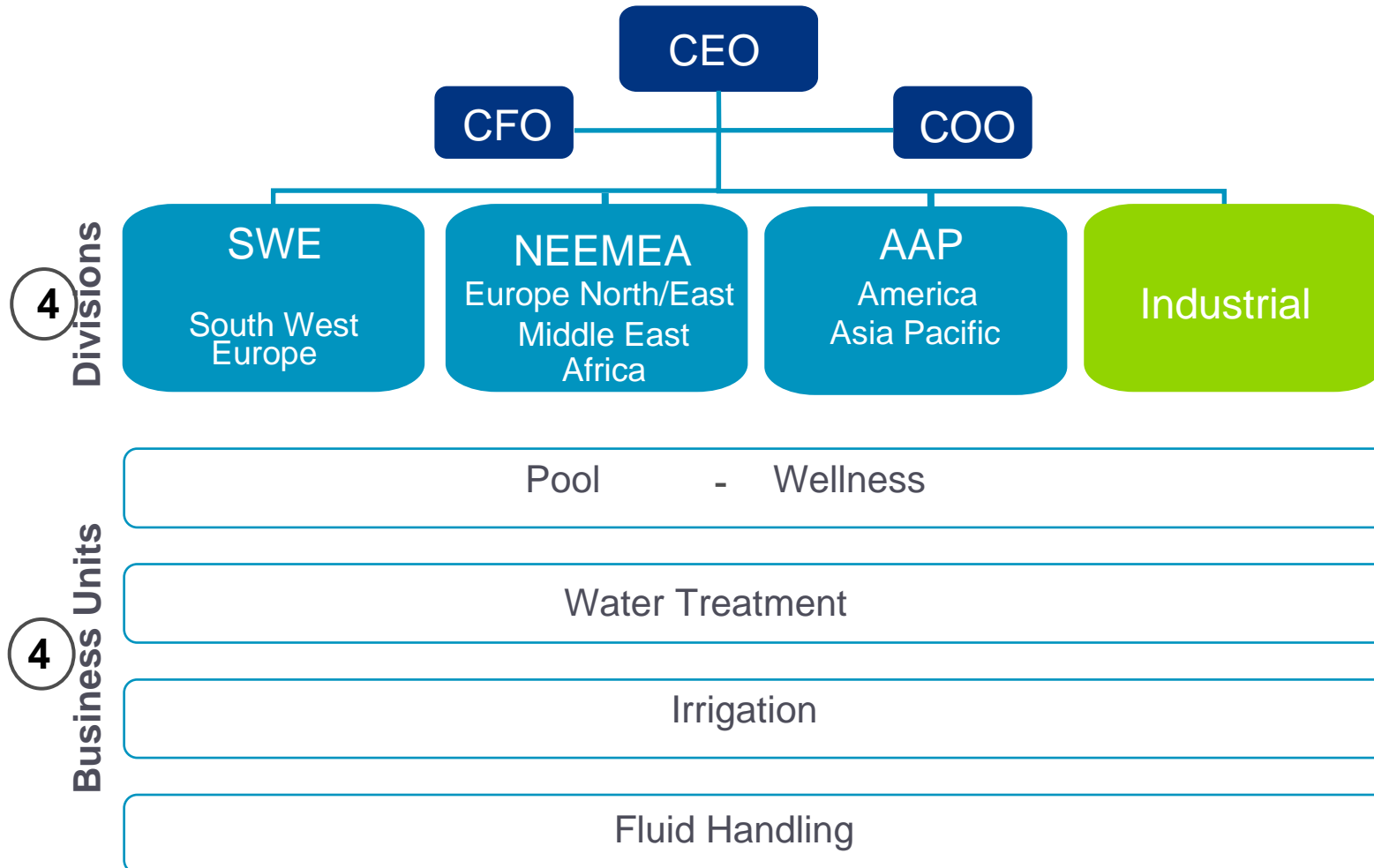
NEEMEA – Wastewater treatment Santander (Spain)



Strategy – Innovation

		2010 New Product Launches	
Pool & Wellness	Criteria Guide	System Integration Adjustable pool floor CAR top training facilities Flat multiport valve Analys : colorimetric chlor control	
		Sustainability Hydrospin (Cyclone prefilter) Victoria Dual Speed pumps Lumiplus 2.0 led lighting Ceret Auto Pool cover	
		Innovation Flash vitreous mosaic Pool Balls: chemicals dosification Jet hydraulic pool cleaner Wellmax Spa Wellness range (showers, loungers, etc.)	
Water Treatment		Softener valve High capacity filters (φ3,4x14,5: desal. plants)	
Fluid Handling & Irrigation		Three ways valve Performance PP fittings: range update Industrial Market: CPVC fittings.	

Strategy - New Organizational Structure (I)





Strategy - New Organizational Structure (II)

Main focus for each Division

South-Western Europe

Leverage wide distribution network to accelerate penetration of business units beyond Residential Pool without losing focus on current core businesses.

North-Eastern Europe / Middle East / Africa

Accelerate introduction of all business units and increase distribution network to take advantage of the high growth potential of the countries.

Americas / Asia / Pacific

Develop strong Regional platforms and synergies to leverage the growth potential in strategic markets for Fluidra to become a global player.

Industrial Division

Become a world class manufacturer effectively supporting the Commercial Divisions in their push for further internationalisation and business portfolio diversification.

Priorities for 2010

Return to Sales growth



- Refocus on Fluidra Commercial strengths versus weakened competitors
- Exploit advantages of Internationalization and Portfolio Diversification

Boost Operating efficiency



- Finalize adjustment of cost structure to new market conditions.
- Lean Management projects: Supply Chain and Production Plants.
- New steps to consolidate Group synergies

Enhance Financial robustness



- Maintain high level of Cash Flow generation
- Return to target Debt to Ebitda ratio

Accelerate implementation of “Fluidra” strategy



- Ensure Fluidra branches are operating under the new model
- Corporate image implemented (website, buildings image, communications to clients)
- Train and lead our teams into the strategy

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Results 3Q09 – Highlights: positive evolution of key targets

	Key magnitudes			
	€M	Sept 08 YTD	Sept 09 YTD	Evol.
Sales		549,0	460,7	-16,1%
Opex ex Dep.& Prov		186,7	161,0	-13,8%
EBITDA		79,7	50,7	-36,4%

- **Sales** maintain the improvement trend initiated in 2Q09, driven by a more positive evolution in most European markets and Australia.
- **Opex** evolution fully reflects impact of cost reduction. Year end net impact will be around 28M € (38M€ annualized).
- **EBITDA** (12.8M€ for 3Q09 stand alone) reflects the combined effect of sales improvement and cost reduction.

Net Working Capital		267,5	215,6	-19,4%
Free Cash Flow		-39,0	30,2	69,2M€
Net Financial Debt		251,7	197,5	-21,5%

- **Net Working Capital, Free Cash flow and Net Financial Debt** have maintained their progression in 3Q09 towards reaching, or even exceed, year end targets.

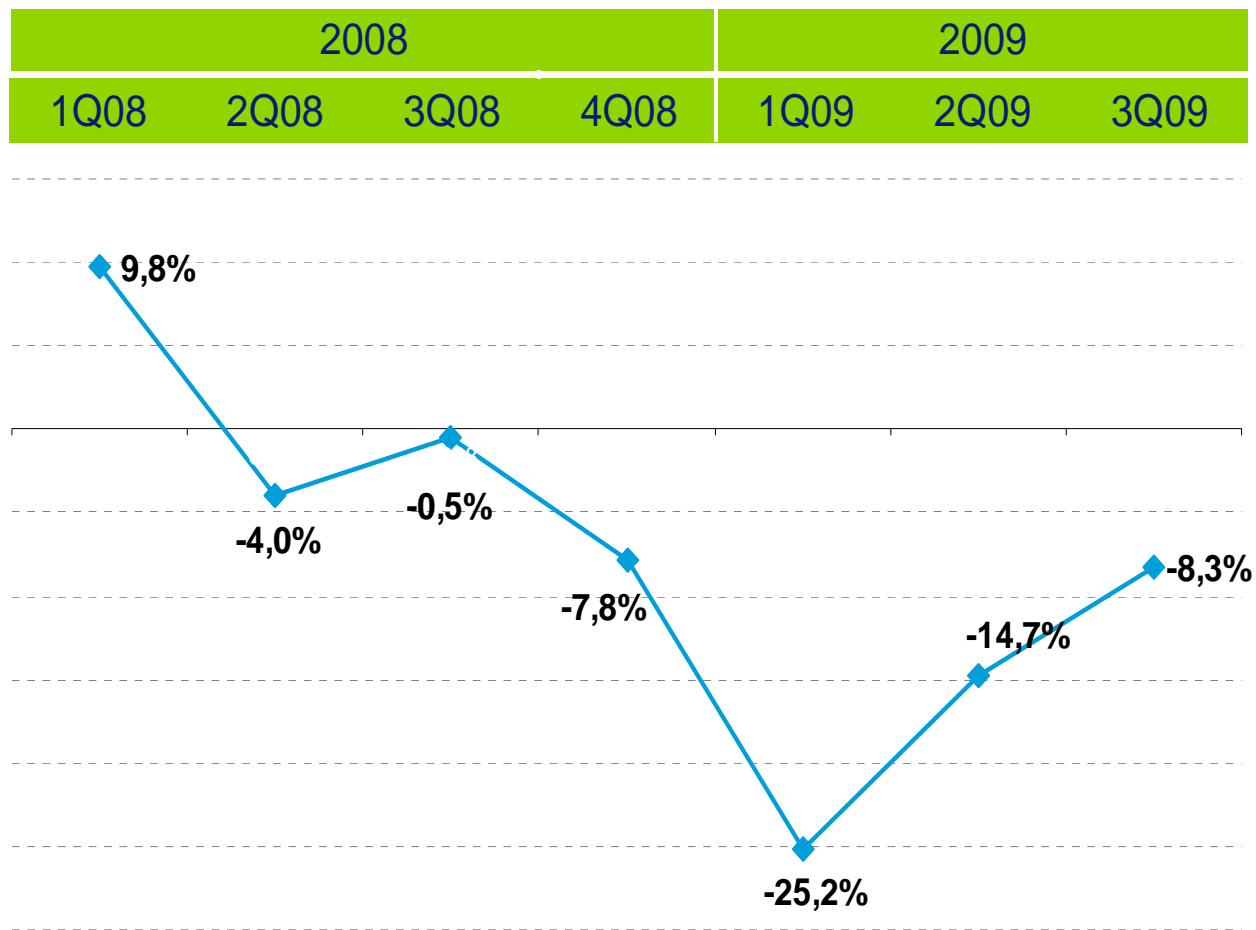
Results 3Q09 – P&L September YTD

	September 2008 YTD		September 2009 YTD		
	€M	% sales	€M	% sales	Evol.09/08
Sales	549,0	100,0%	460,7	100,0%	-16,1%
Gross Margin	270,8	49,3%	220,1	47,8%	-18,7%
Opex before Dep.& Amort.	186,7	34,0%	161,0	34,9%	-13,8%
EBITDA	79,7	14,5%	50,7	11,0%	-36,4%
EBIT	56,0	10,2%	27,3	5,9%	-51,3%
Net Financial Result	-10,5	-1,9%	-9,8	-2,1%	-6,3%
PBT	45,3	8,3%	7,0	1,5%	-84,7%
PBT Normalized	45,6	8,3%	17,5	3,8%	-61,7%
Net Income to Parent Co.	30,4	5,5%	4,2	0,9%	-86,1%
Net Income to Parent Co.Normalized	30,6	5,6%	11,6	2,5%	-62,1%

Note: Profit normalized is calculated before extraordinary items.

- Sales accentuate its trend of improvement (-14.7% and -8.3% stand alone respectively), driven by higher weight of recurrent business in the second and third quarter.
- The decrease of Gross Margin is attributable to the effect of the sharp reduction of Stocks in the Cost of Good Sold.
- Opex decrease exceeds sales reduction (-11.9% Opex; -8.3% Sales) keeping the same trend as the second quarter.
- Net Income evolution reflects the good progress of EBITDA and Net Financial Results, and the non recurrent expenses associated to cost reduction initiatives (10.6M€).

Results 3Q09 – Sales Quarterly Evolution Stand Alone



Results 3Q09 - Sales Evolution by Geographical Area

Fluidra Sales by Geographical Area					
€M	2008	%	2009	%	Evolution 08-09
Spain	180,0	32,8%	125,2	27,2%	-30,4%
South Europe - Rest	186,0	33,9%	175,2	38,0%	-5,8%
Western & Northern Europe	80,4	14,6%	67,4	14,6%	-16,2%
Eastern Europe	25,6	4,7%	18,3	4,0%	-28,8%
Asia & Australia	49,0	8,9%	48,4	10,5%	-1,3%
Rest of World	27,9	5,1%	26,2	5,7%	-6,3%
TOTAL	549,0	100,0%	460,7	100,0%	-16,1%

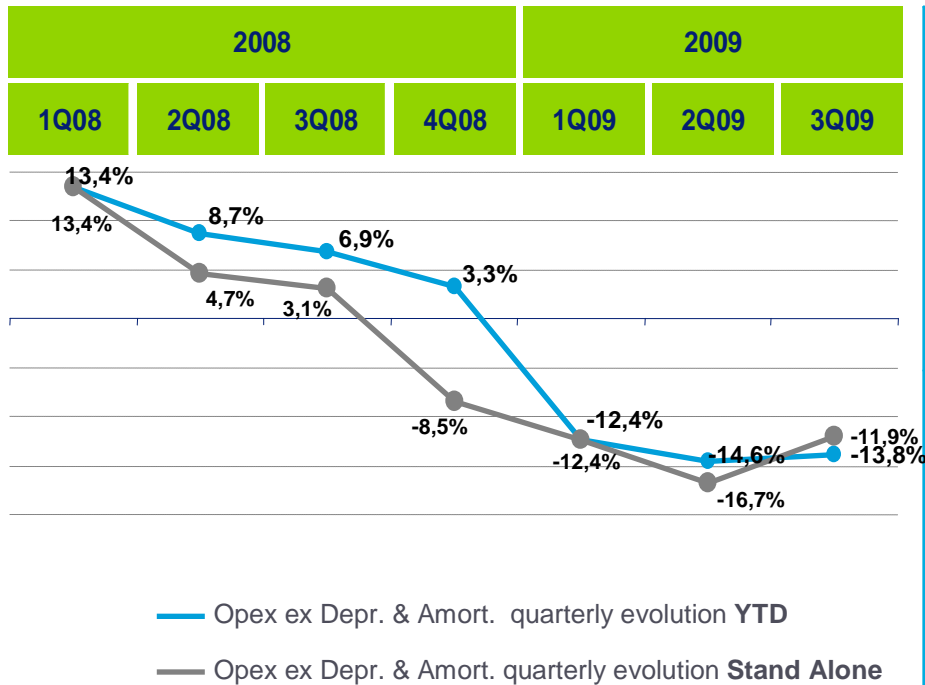
- Positive sales growth of South Europe-Rest (+4.9%) and Asia & Australia (+2.7%) in the third quarter stand alone

Results 3Q09 – Sales by Business Unit

€M	2008	% of Total	2009	% of Total	Evolution %
Pool (1)	380,6	69,3%	312,8	67,9%	-17,8%
- Private	319,8	58,3%	264,5	57,4%	-17,3%
- Commercial	60,8	11,1%	48,2	10,5%	-20,7%
Water Treatment	90,0	16,4%	85,8	18,6%	-4,6%
Irrigation	26,1	4,8%	23,1	5,0%	-11,8%
Fluid Handling	52,3	9,5%	39,1	8,5%	-25,3%
TOTAL	549,0	100,0%	460,7	100,0%	-16,1%

- All Business Units registered a sales improvement in the third quarter compared to June figures.
- Pool and Irrigation show the highest recovery (-9.2% and +3.1% 3Q stand alone respectively), driven by South European markets better behaviour, specially France.
- Water Treatment continues to show resilience to the economic environment with almost flat sales in the third quarter (-1.8%)
- Fluid Handling continues to be strongly affected by Spain weak demand, although it shows some improvement in the third quarter (-20.5%)

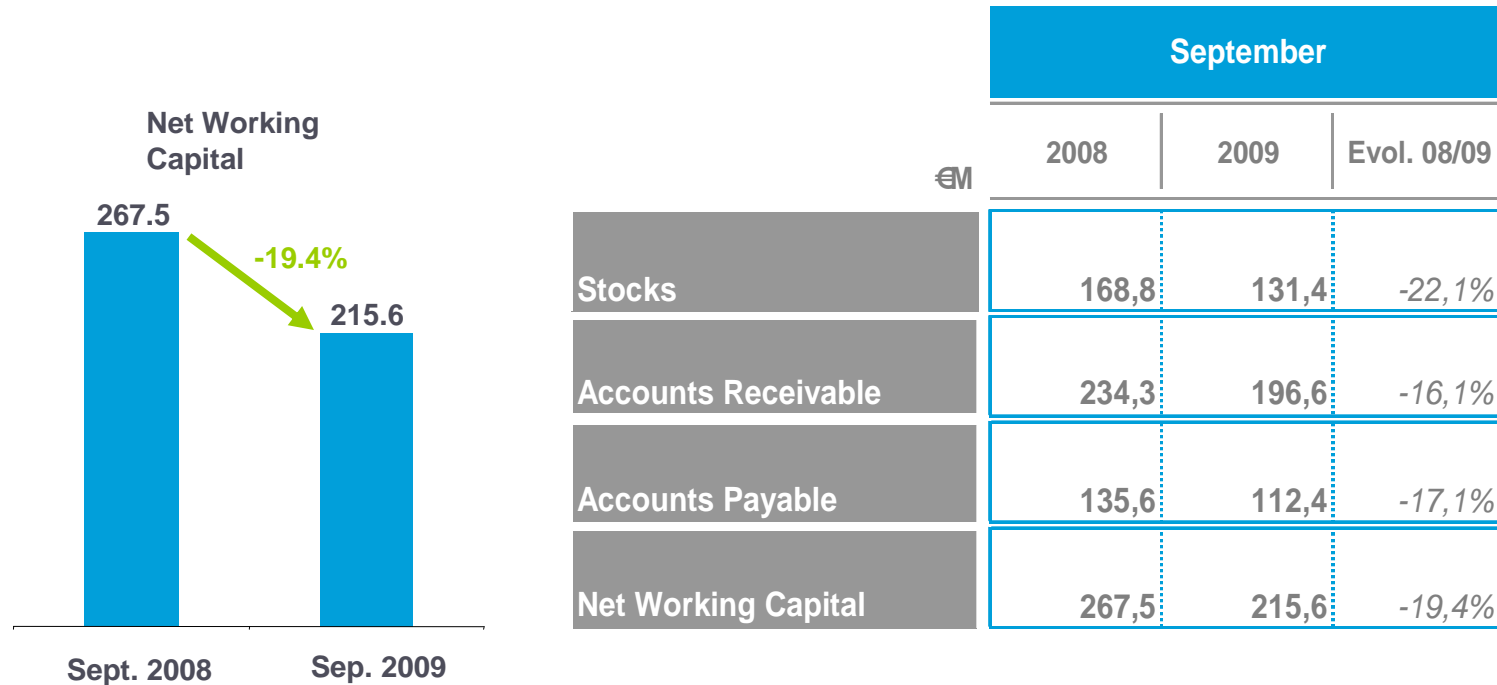
Results 3Q09 – Opex quarterly evolution



Updated cost reduction initiatives

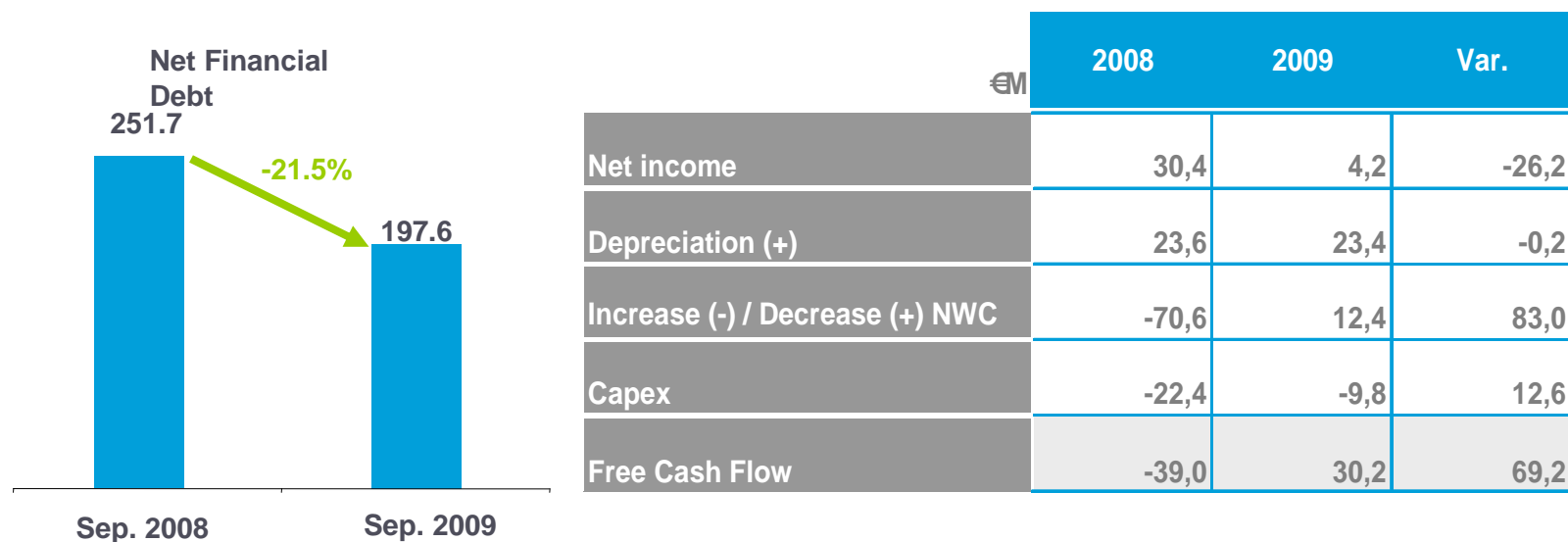
2008 Q3 Q4	<ul style="list-style-type: none"> • Two mergers of distribution companies in Spain • Manufacturing footprint consolidation plan started (5 plants) • Headquarters resources adapted to new environment • Distribution sites rental reduction
2009 Q1 Q2	<ul style="list-style-type: none"> • New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

Results 3Q09 – Net Working Capital



- Net Working Capital maintains second quarter trend, accentuating its decrease versus 2008 as a result of Stock and Receivables positive behaviour.
- Stocks evolution reflects the impact of process improvements implemented during the last 12 months
- Receivables continue to be aligned with sales evolution proving the effectiveness of Customer Risk Management implemented.

Results 3Q09 – Free Cash Flow and Net Financial Debt



- Net Financial Debt registers a deeper decrease in the third quarter (-54.1M€) driven by the positive evolution of Net Working Capital and enhanced Cash Flow from operations.
- Both Free Cash Flow and Net Financial Debt maintain its good alignment to fulfill, or even exceed, year end targets

Results 3Q09 – Key Magnitudes by Division YTD

	Sales (*)			Ebitda		
	2008	2009	Evol. %	2008	2009	Evol. %
€M						
SWE	328,7	263,8	-19,8%	30,5	13,6	-55,4%
NEEMEA	83,1	74,9	-10,0%	10,8	8,8	-18,9%
AAP	90,5	83,2	-8,1%	7,6	5,5	-27,3%
Industrial	276,3	215,5	-22,0%	45,5	30,5	-33,1%
TOTAL, Consolidated	549,0	460,7	-16,1%	79,7	50,7	-36,4%

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

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Investment Highlights

✓ Fluidra has reacted strongly to the deterioration of the environment

- Cost structure and Working Capital adapted
- FCF and NFD targets will be achieved in 2009
- Good progress for a solid economic performance in 2010

✓ Strong Business fundamentals

- Attractive end dynamic Water segments
- International footprint and diversifying business portfolio
- Leading position in key markets

✓ Emerging reinforced from recession will allow to capture opportunities for consolidation

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Innovation- Desalination technology

Desalination technology is on the rise in several parts of the world, where seawater is being used for conversion to drinkable water.

The high cost of corrosion can be significantly reduced by means of the adequate use of FRP (Fibreglass Reinforced Plastic) used by Servaqua, a company part of the Fluidra Industry Division specialised in the manufacture of pressurized recipients made of reinforced plastic.

This material is resistant to the corrosion caused by seawater and avoids the traditional maintenance involving the re-painting of the carbon steel filters with an inner covering that have been used in desalination until now. Another important feature is its optimal dielectric properties and low thermal conductivity that considerably reduces external thermal exchange, which is important when dealing with large volumes. It is also worth mentioning the weight of the FRP equipment (density 1.8) compared to Carbon Steel (density 7.8) and Stainless Steel (density 7.9) and its great dimensional stability, given that other materials lose this property over time.

The filter nozzle plate, which has more than 2750 nozzles that enable the washing of the filter bed by providing air, results in significant water savings.

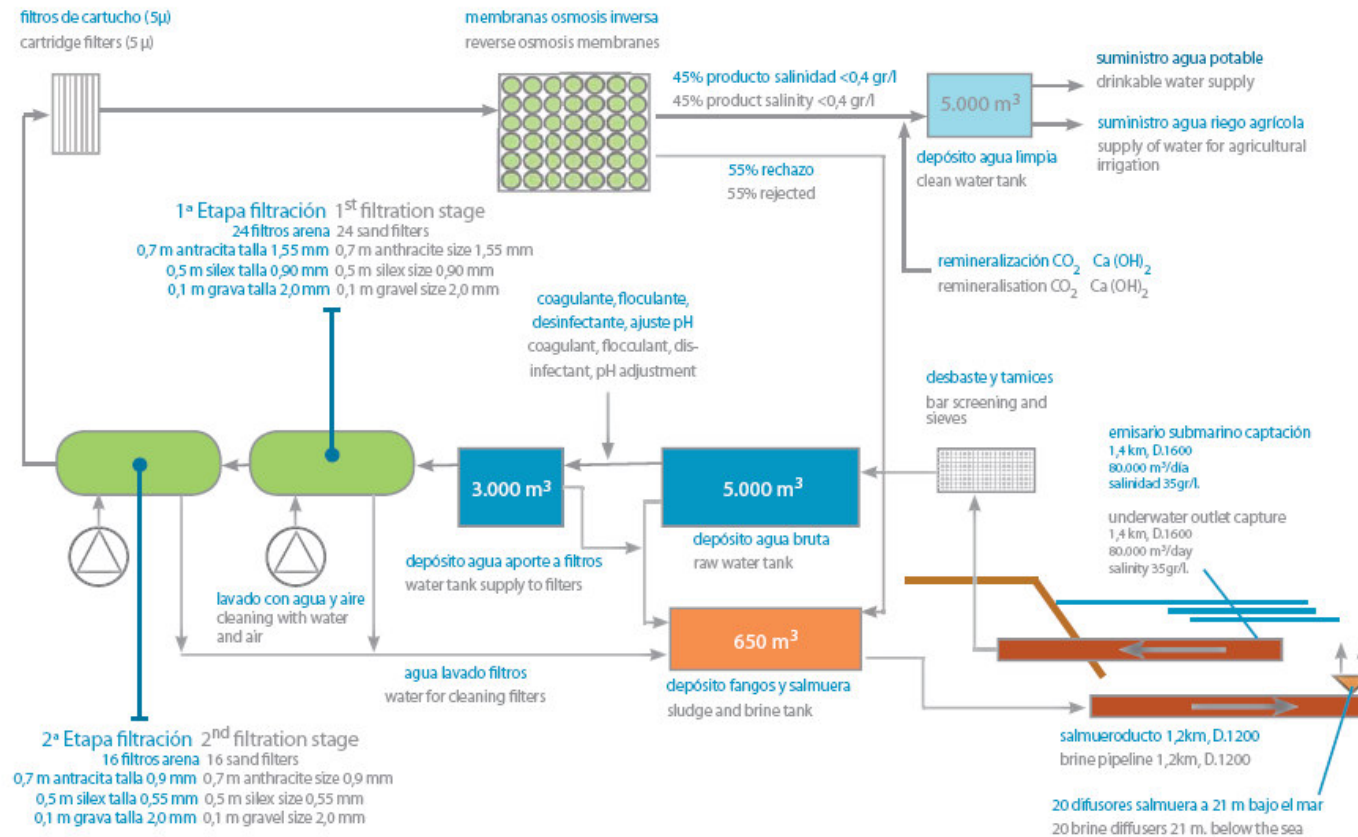
Características principales del filtro Main characteristics of the filter		
Diámetro	Diameter	3,4 m
Longitud total	Total length	14,5 m
Longitud de virola	Length of ferrule	12 m
Altura del lecho filtrante	Height of filter bed	1,3 m (mixto de arena y antracita)
Superficie de filtración	Filtration Surface Area	41 m ²
Velocidad de filtración	Filtration Speed	6-8 m ³ /h/m ²
Presión de diseño	Design Pressure	6 bar
Presión de prueba	Test Pressure	7,8 bar
Peso en vacío	Empty Weight	> 20 TM
Peso en servicio	Operating Weight	> 200 TM
Colector con placa portacrepinas para lavado con aire, con 65 crepinas/m ² (3000 crepinas/filtro) Collector with nozzle plate for washing with air, with 65 nozzles/m ² (3000 nozzles/filter)		



Innovation- Desalination Facility project

Servaqua, has signed an agreement for the supply of 40 sand filters to the reverse osmosis desalination plant in Balerma, in the municipality of El Ejido (Almería, Spain).

The works form part of the A.G.U.A programme (an alternative to the diversion of the River Ebro). The project is to be completed within two years, with a total contract cost of 148.2 million euros. Thanks to this project, all the region's irrigation needs will be met. This project will also allow the continued and structured replacement of water extracted from the Campo de Dalías aquifer. It will therefore contribute to its recovery by means of the sustainable management of water resources. In order to achieve these objectives, the plant will have an initial production capacity of 97,200 m³/day, although in its design there is scope for a possible increase to 130,000 m³/day.



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FLUIDRA

