

# MAKING WATER PERFORM

First Quarter 2012 Results

9th May 2012



# Disclaimer

---

This document is for information only and does not constitute an offer to sell, exchange or buy, or an invitation to make offers to buy, securities issued by any of the companies mentioned. This financial information has been prepared in accordance with International Financial Reporting Standards (IFRS), however, not being audited information is not definitive information and may be modified in the future.

No representation or warranty is given by Fluidra S.A. as to the accuracy, completeness or fairness or any information contained in this document and nothing in this report should be relied upon as a promise or representation as to the past, current situation or future of the company and its group

The information contained in this document may contain statements regarding intentions, expectations or future prospects. All statements, other than those based on historical fact are forward-looking statements, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations. Such forward-looking statements are affected, as such, by risks and uncertainties that could cause what happens in reality does not correspond with them.

These risks include, among others, seasonal fluctuations that may change demand, industry competition, economic conditions and legal restrictions on free trade and / or political instability in the markets where the Group Fluidra is present or in those countries where the Group's products are manufactured or distributed. Fluidra Group makes no commitment to issue updates or revisions concerning the forward-looking statements included in this financial information, expectations or in events, conditions or circumstances on which underlying these forward-looking statements.

In any case, Fluidra Group provides information on these and other factors that may affect forward-looking statements, business and financial results of the Company, in documents filed with the Comisión Nacional del Mercado de Valores of Spain. We invite all interested persons or entities to consult those documents.

# 1Q2012 Results – Summary

	Key magnitudes		
	March 11 YTD	March 12 YTD	Evol.
<b>Sales</b>	138,6	144,4	4,2%
<b>EBITDA</b>	12,0	13,8	14,6%
<b>Net Income</b>	0,9	1,3	40,0%
<b>Net Working Capital</b>	220,7	242,9	10,1%
<b>Free Cash Flow</b>	-54,3	-36,0	18,3
<b>Net Financial Debt</b>	212,9	211,1	-0,9%

Note: figures include the consolidation of Aqua Products and Aquatron since March 2011

- **Sales growth:** Achieved 4,2% in this quarter due to the integration of Aqua and maintained organic growth of 1.5%.
- **EBITDA:** Expansion driven by Aqua and efficiency gains by implementing Lean Management Program.
- **Net Income:** Improved EBITDA and good financial expenses control.
- **Net Working Capital:** Evolution due by the consolidation of Aqua.
- **Free Cash Flow:** Cash flow generation affected mainly by NWC and acquisitions.
- **Net Financial Debt:** Slight decrease in the levels of debt in the period, even including the opening in Indonesia and Jordan.

# 1Q2012 Results – Highlights of the period

## Indonesia

- **Asia Division**, Fluidra has created this new division to promote activities in the Asian market. This new structure will bring together the operations on the continent.
- Fluidra Group opens a **new office in Jakarta**, Indonesia, by acquiring local brand Dunia Renang, the second largest company in the sector with a market share of 20% and an annual turnover of 3 million Euros.



## Jordan

- Fluidra has opened a **new office in Amman**, Jordan's capital. This expands the multinational delegation in the Middle East, an area in which Fluidra is present in countries like Egypt, UAE, Israel and Turkey, where the efficiency in water management is crucial.
- **Fluidra Jordan** will operate the four business units: water treatment, fluid handling, irrigation and pool / Spa Wellness, and Jordan will serve both as to neighboring countries like Syria, Lebanon, and northern Iraq and Cisjordania.



## Viron

- **Launch of high range products "Viron"** for U.S. and Australian residential markets, consisting of pumps, cartridge filters, control system with touchpad's, air conditioning, etc.. And characterized by a commitment to sustainability, energy efficiency and cutting edge technology, according to the commitment and strategic approach of Fluidra.
- **Maximum energy efficiency recognition.** The Australian authorities have qualified Viron P600 Pump as a pump eVo more energy efficient, according to the criteria of the **MEPS** (Minimum Energy Performance Standards) ([http://www.energyrating.gov.au/products-themes/other/swimming-pool-pumps / Voluntary-labeling /](http://www.energyrating.gov.au/products-themes/other/swimming-pool-pumps/Voluntary-labeling/)).



# 1Q2012 Results – Accumulated Profit and Loss Account

	March 2011 YTD		March 2012 YTD		
	€ M	% sales	€ M	% sales	Evol.12/11
Sales	138,6	100,0%	144,4	100,0%	4,2%
Gross Margin	71,9	51,9%	75,4	52,2%	4,8%
Opex before Dep.& Amort.	58,8	42,4%	60,3	41,7%	2,5%
Provisions for bad debt	1,1	0,8%	1,3	0,9%	18,3%
EBITDA	12,0	8,7%	13,8	9,6%	14,6%
EBIT	4,1	3,0%	5,6	3,9%	37,5%
Net Financial Result	-2,2	-1,6%	-2,6	-1,8%	-16,7%
PBT	1,6	1,2%	2,1	1,5%	31,9%
Net Income	0,9	0,7%	1,3	0,9%	40,0%

- Fluidra Group has grown, in terms of **consolidated sales**, up 4.2%. At organic level, sales increased 1.5% in the period.
- **EBITDA** margin improved 90 bps thanks to good evolution on Opex, gross margin, the implementation of Lean efficiency programs and integration of Aqua.
- Good performance of **Net Financial Result**, with its increase explained by a higher average debt during the quarter because the Aqua acquisition in March 2011.

# 1Q2012 Results – Sales Evolution by Geographical Area

Fluidra Sales by Geographical Area					
€M	2011 YTD	%	2012 YTD	%	Evolution 12/11
Spain	32,8	23,6%	30,6	21,2%	-6,6%
South Europe - Rest	48,5	35,0%	49,3	34,1%	1,5%
Western & Northern Europe	19,4	14,0%	19,7	13,6%	1,5%
Eastern Europe	5,1	3,7%	5,1	3,5%	1,0%
Asia & Australia	20,3	14,7%	22,8	15,8%	12,2%
Rest of World	12,5	9,0%	16,9	11,7%	34,7%
<b>TOTAL</b>	<b>138,6</b>	<b>100,0%</b>	<b>144,4</b>	<b>100,0%</b>	<b>4,2%</b>

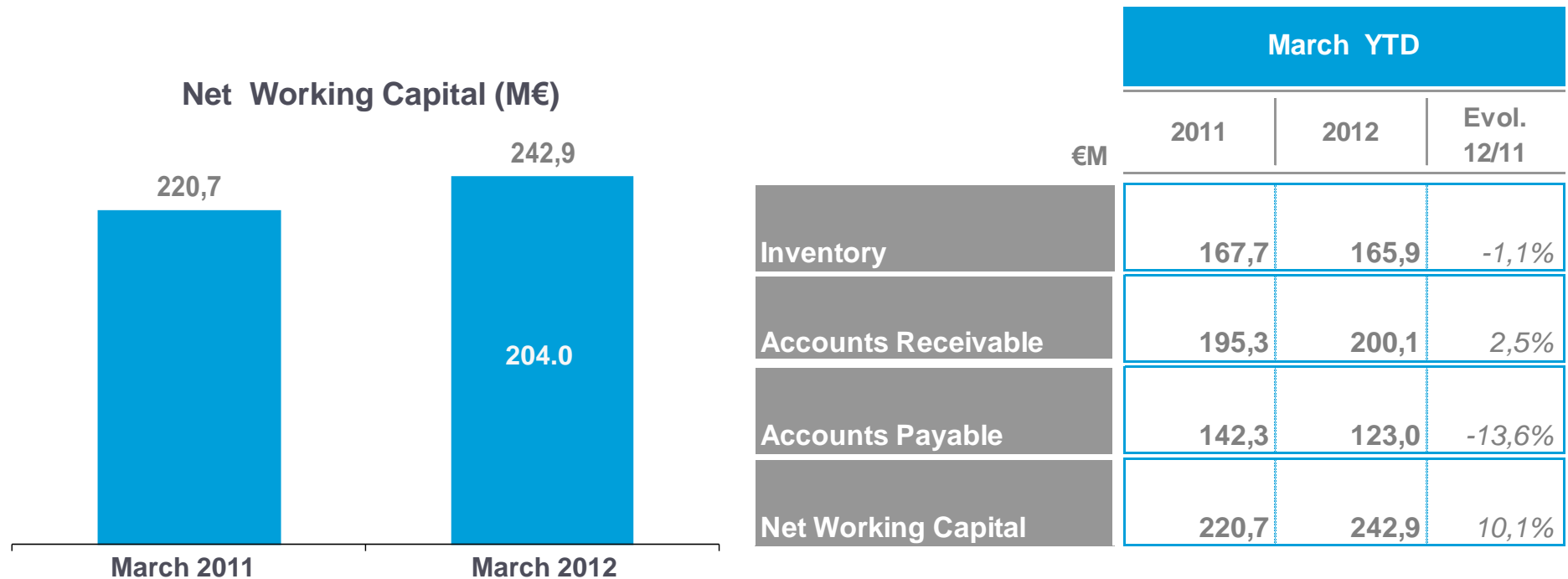
- Contraction of consumption in **Spain**, compared to positive developments at other geographic markets.
- **Asia and Australia** continue their positive trend, we expect to grow in the future with Indonesia and Jordan.
- Significant growth in **Rest of the World** is due to both organic evolution and the acquisition of Aqua.

# 1Q2012 Results – Sales Evolution by Business Unit

€ M	2011 YTD	% of Total	2012 YTD	% of Total	Evolution %
<b>Pool</b>	<b>96,2</b>	<b>69,4%</b>	<b>99,9</b>	<b>69,2%</b>	<b>3,8%</b>
- Private	80,7	58,2%	87,0	60,2%	7,7%
- Commercial	15,6	11,3%	12,9	8,9%	-16,8%
<b>Water Treatment</b>	<b>22,4</b>	<b>16,1%</b>	<b>22,9</b>	<b>15,9%</b>	<b>2,7%</b>
<b>Irrigation</b>	<b>6,8</b>	<b>4,9%</b>	<b>8,1</b>	<b>5,6%</b>	<b>19,7%</b>
<b>Fluid Handling</b>	<b>13,3</b>	<b>9,6%</b>	<b>13,5</b>	<b>9,3%</b>	<b>1,5%</b>
<b>TOTAL</b>	<b>138,6</b>	<b>100,0%</b>	<b>144,4</b>	<b>100,0%</b>	<b>4,2%</b>

- **Private Pool:** good start with 3.3% organic growth and that rises to 7,7% with the contribution of Aqua Products and Aquatron.
- **Commercial Pool:** decline is the result of falling consumption in SWE, which is not compensated by the good evolution of projects in the quarter.
- **Water Treatment and Fluid Handling:** maintain a stable trend, both in the residential as well as in the Industrial segment.
- **Irrigation,** whit an increase of 19.7%, continues with its positive trend thanks to our efforts in this field.

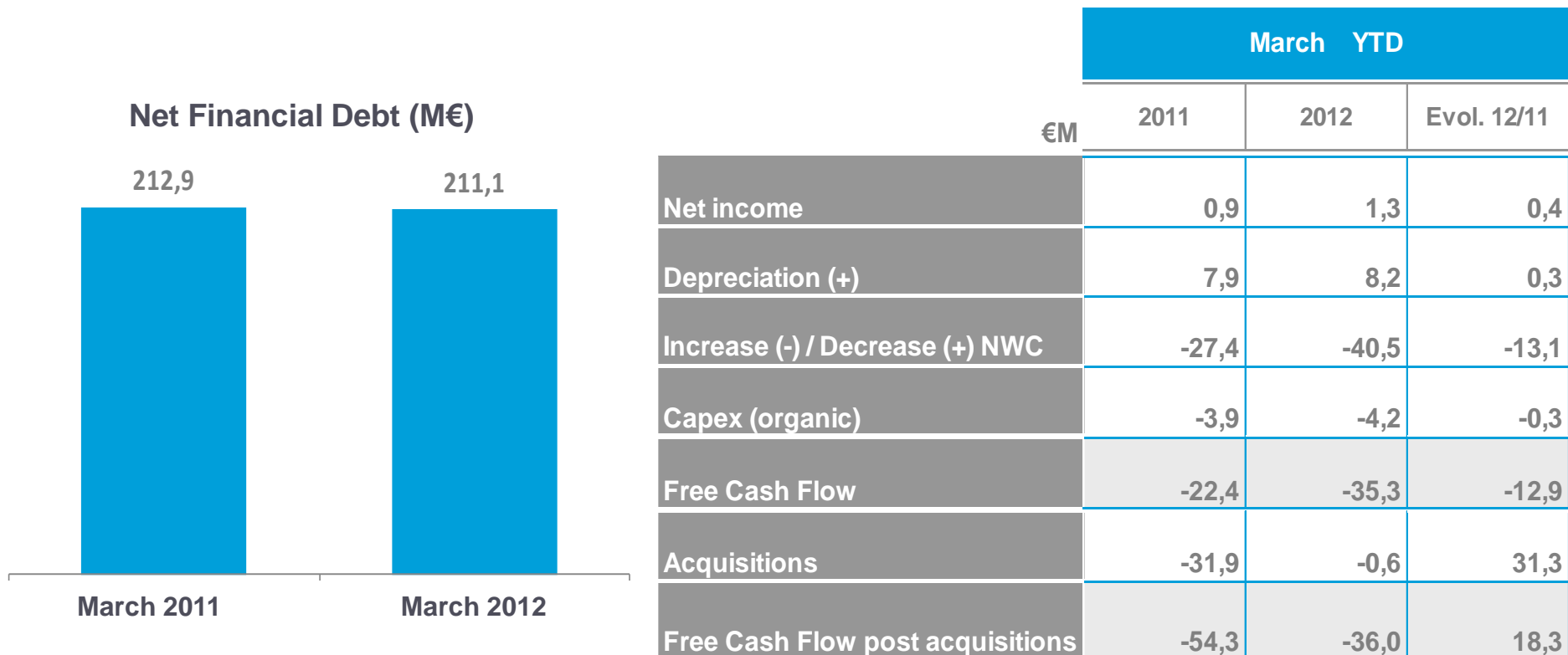
# 1Q2012 Results – Net Working Capital



- **Net Working Capital** in the quarter is strongly affected by Aqua, representing 13M€.
- Organic **Net Working Capital** is aligned with the normal evolution of the group in terms of DSO and DIOH, guarantying the future cash flow generation.



# 1Q2012 Results – Net Financial Debt and Free Cash Flow



• **Net Financial Debt and Free Cash Flow** for the quarter have been marked by the integration of the Aqua group.

# 1Q2012 Results – Highlights

---

## Asia Division

- Fluidra appoints Phil Jin, CEO of its Asia Division, the new structure created by the Group to develop the business in one of the continents with the greatest growth potential.
- Phil Jin primary mission will be to develop Fluidra business units on the continent and is responsible for the operations of the Group companies in China, Malaysia, Singapore, Thailand and Indonesia, which opened recently.

## Jakarta – Indonesia

- Fluidra Group opens a new office in Indonesia by acquiring local brand Dunia Renang, the second largest company in the sector with a market share of 20% and a turnover of 3 million Euros.
- After China, Malaysia, Singapore and Thailand, the new office completes the internationalization of the company in Southeast Asia, a strategic and high-growth area, which represents 5% of total Group turnover.

## Amman - Jordan

- Fluidra expands its presence in the Middle East with a new office in Amman, Jordan, an addition to the Group's presence in Egypt, UAE, Israel and Turkey, in an area where efficiency in water management is crucial.
- Jordan Fluidra will operate the four business units of the Group and will also serve the surrounding countries.

# 1Q2012 Results – Conclusions

---

- ✓ We have made a good start of the year with **positive growth**, achieved in a difficult macroeconomic environment. The Aqua transition is taking place as planned and we are achieving all the synergies of the transaction.
- ✓ Results at the level of EBITDA and Net Income are positive, with increases of 14.6% and 40%, respectively. First quarter results are in line with our year end estimates on Sales growth, EBITDA and NFD / EBITDA ratio.
- ✓ Continue our **growth strategy**:
  - Internationalization
  - Expansion of Turnkey projects
  - Diversificationand efficiency through **Lean management program**

# MAKING WATER PERFORM

First Quarter 2012 Results

9th May 2012

