

Responsible POOL and WATER applications



**2008 First Semester Results**

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# Highlights from 2008 First Semester

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• **Sales** of **395,5** million Euros, representing an increase of **1,3%** over 2007 first semester, driven by the slowdown in South Europe markets and sales decline in Spain while robust growth is maintained in emerging markets

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• **EBITDA** of **65,9** million Euros representing a decrease of **8,2%** over 2007 first semester and **Net Income** of **29,0** million Euros equivalent to a **14,0%** decrease over 2007 first semester

3

• **POOL** Division reaching **Sales** of **312,2** million Euros (**-1,0%**) and **EBITDA** of **49,9** million Euros (**-9,8%**) driven by the combined effect of deterioration of consumer sentiment in the core European markets and very adverse spring weather conditions

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• **WATER** Division reaching Sales of **120,5** million Euros (**9,7%**) and **EBITDA** of **16,4** million Euros (**-2,0%**) reflecting the good performance of Agriculture Irrigation and the positive evolution of Industrial segment which has compensated the impact of worsening economic conditions on key business segments such as WATER treatment equipment

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• **Net Financial Debt** of **292,9** million Euros (**17,6%**) driven mainly by growth in Net Working Capital (**14,4%**) and the effect of acquisitions undertaken since June 07

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• In light of market outlook in Europe, cost reduction, increasing the solidity of the balance sheet and gaining market share have become Fluidra's key priorities while maintaining its geographical expansion in emerging markets and the diversification of its product portfolio

# 2008 First Semester Results

Period January to June

(€M)	IFRS		
	1S 2007	1S 2008	Growth 07-08
<b>Sales</b>	<b>390,5</b>	<b>395,5</b>	<b>1,3%</b>
Gross Margin	192,6	197,7	2,6%
<b>EBITDA</b>	<b>71,8</b>	<b>65,9</b>	<b>-8,2%</b>
EBITDA Margin	18,4%	16,7%	-
<b>EBIT</b>	<b>57,4</b>	<b>49,8</b>	<b>-13,4%</b>
% of Sales	14,7%	12,6%	-
<b>PBT</b>	<b>51,3</b>	<b>42,2</b>	<b>-17,8%</b>
Margin PBT	13,1%	10,7%	-
<b>Net Income of Parent Company</b>	<b>33,8</b>	<b>29,0</b>	<b>-14,0%</b>
Net Income Margin	8,6%	7,3%	-

2008 First Semester Results

-  Near flat sales in the first semester 08 driven by a very unfavourable second quarter (-4,0% versus 2Q 07) due to sales decline in Spain (-13,6% in the second quarter) and slowdown in other South Europe markets
-  Deterioration of economic conditions and adverse weather during the spring have been the main drivers for lower sales performance in core markets such Spain, France and Italy
-  Excluding 2008 acquisitions, organic sales evolution up to June 08 is -0,8%
-  Cost reduction and exploiting synergies potential have been accelerated to mitigate EBITDA and Net Income Margin margin reduction. Due to the upfront charges, its effect will not be fully reflected until 09

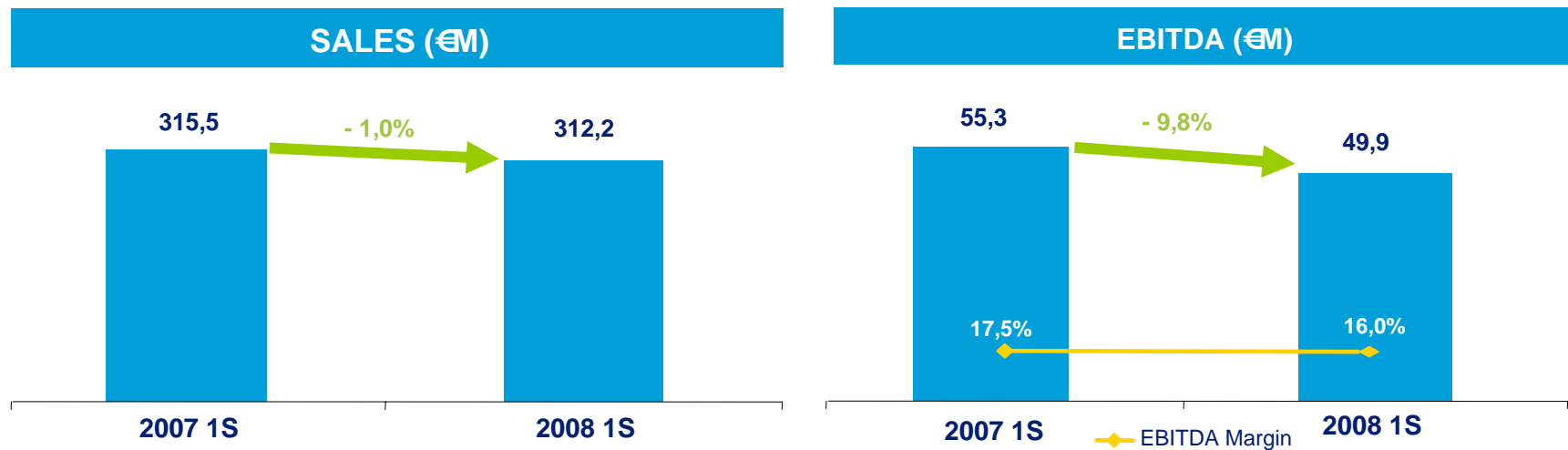
## 2008 First Semester – Fluidra Sales Evolution per Geographical Area

Fluidra Sales by Geographical Area, M€					
(€M)	1S 07	%	1S 08	%	Evolution 07 - 08
Spain	141,5	36,2%	130,0	32,9%	-8,1%
South Europe - Rest	129,7	33,2%	138,8	35,1%	7,0%
Western & Northern Europe	58,9	15,1%	58,2	14,7%	-1,2%
Eastern Europe	15,8	4,1%	17,7	4,5%	11,7%
Asia & Australia	25,9	6,6%	32,0	8,1%	23,4%
Rest of World	18,6	4,8%	18,9	4,8%	1,9%
<b>TOTAL</b>	<b>390,5</b>	<b>100,0%</b>	<b>395,5</b>	<b>100,0%</b>	<b>1,3%</b>

## 2008 – Sales and EBITDA by quarter

Quarter	Sales Evolution			EBITDA Evolution			
	2007	2008	Evolution %	2007	% Sales	2008	% Sales
January to March	150,2	164,9	9,8%	20,2	13,5%	22,1	13,4%
March to June	240,3	230,6	-4,0%	51,6	21,5%	43,8	19,0%
<b>TOTAL - January to June</b>	<b>390,5</b>	<b>395,5</b>	<b>1,3%</b>	<b>71,8</b>	<b>18,4%</b>	<b>65,9</b>	<b>16,7%</b>

# 2008 First Semester - POOL Results Evolution



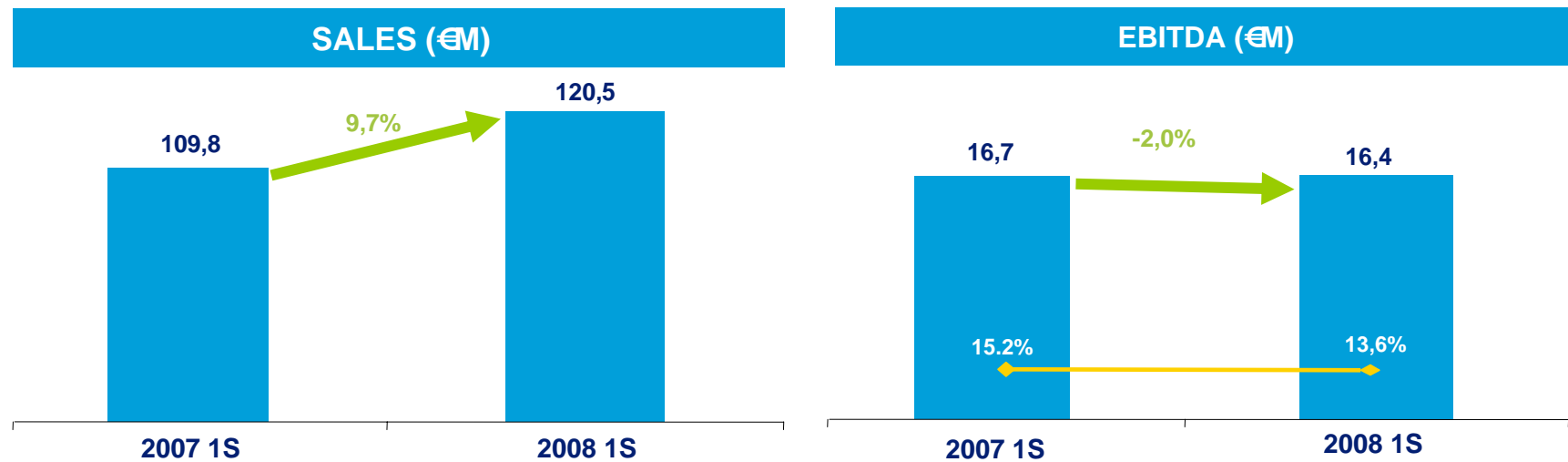
- Good sales behaviour of Commercial segment and Value Added products, both with double digit growth, has compensated the decline of Above Ground segment and Basic products
- The deterioration of consumer sentiment has accentuated in Spain during the second quarter leading to a cumulative POOL sales decline of -11,3% in this market
- Sales have also been negatively affected by very adverse weather until mid June in South and Central Europe and by the depreciation of the US dollar and the UK sterling pound versus the Euro
- Australia and emerging markets such as East Europe and Asia continue to grow at double digit
- Operational leverage has caused the EBITDA margin reduction in spite of cost reduction measures being implemented

## 2008 First Semester – POOL Division Sales Evolution by Geographical Area

POOL Sales by Geographical Area, M€					
(€M)	1S 07	%	1S 08	%	Evolution 07 - 08
Spain	107,0	33,9%	95,0	30,4%	-11,3%
South Europe - Rest	97,5	30,9%	101,0	32,4%	3,6%
Western & Northern Europe	56,3	17,8%	54,9	17,6%	-2,4%
Eastern Europe	14,7	4,7%	16,4	5,3%	11,6%
Asia & Australia	24,6	7,8%	29,7	9,5%	20,9%
Rest of World	15,3	4,9%	15,1	4,8%	-1,5%
<b>TOTAL</b>	<b>315,5</b>	<b>100,0%</b>	<b>312,2</b>	<b>100,0%</b>	<b>-1,0%</b>



# 2008 First Semester - WATER Results Evolution

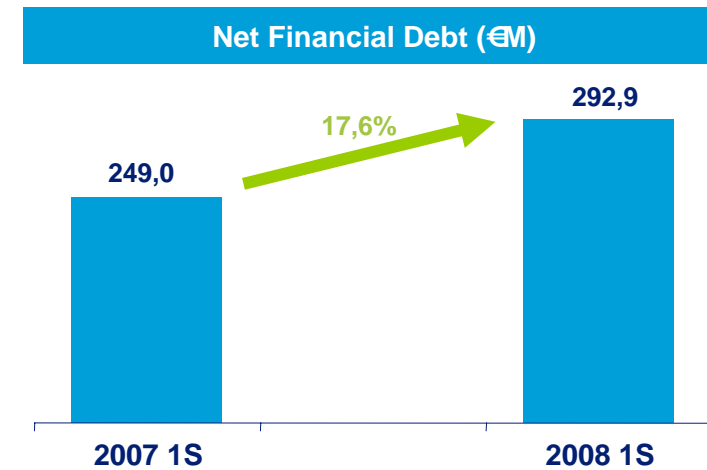
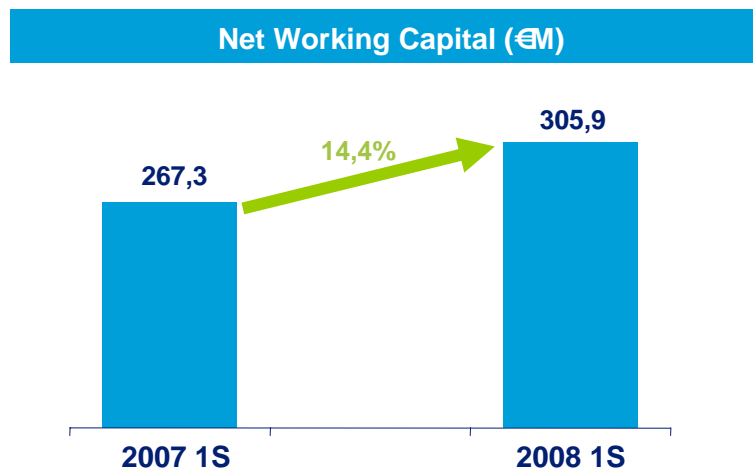


- The good performance of Agriculture Irrigation sales in France and the positive evolution of the Industrial segment have compensated the negative effect of economic conditions on sales of products for Residential use and the delay in the campaign for pool water treatment due to the unfavourable weather conditions
- The positive evolution of sales in the European markets has compensated the lack of growth of sales in Spain in the semester
- The evolution of EBITDA margin shows the impact of the increase of raw materials and energy cost and the greater weight of distribution activities within the Division

## 2008 First Semester – WATER Division Sales Evolution by Geographical Area

WATER Sales by Geographical Area, M€					
(€M)	1S 07	%	1S 08	%	Evolution 07 - 08
Spain	52,7	48,0%	52,9	43,9%	0,3%
South Europe - Rest	43,6	39,7%	51,3	42,5%	17,5%
Western & Northern Europe	4,1	3,7%	4,9	4,0%	19,1%
Eastern Europe	1,8	1,7%	2,3	1,9%	22,7%
Asia & Australia	2,5	2,3%	3,5	2,9%	41,6%
Rest of World	5,1	4,6%	5,7	4,8%	13,5%
<b>TOTAL</b>	<b>109,8</b>	<b>100,0%</b>	<b>120,5</b>	<b>100,0%</b>	<b>9,7%</b>

## 2008 First Semester – Net Working Capital and Net Financial Debt (NFD)



- Growth in Net Working Capital is driven by growth in Stocks (14%, 10% without acquisitions) which is being mitigated after the build up linked to the robust sales growth in the first quarter
  - This trend of stocks reduction will continue till year end
- Accounts Receivable evolution (-0,9%) is slightly below sales growth
- Net Financial Debt growth (17,6%, 13,0% without acquisitions) reflects the increase in net working capital requirements
  - Growth of NFD will be mitigated towards year end based on lower working capital growth and lower outflows linked to capex and acquisitions

# 2008 First Semester Consolidated Balance sheet

ASSETS		
(€M)	IFRS	
	2007	2008
Property plant and equipment	150,8	150,3
Goodwill	144,5	156,1
Intangible Assets	32,9	43,3
Non Current Financial Assets	5,1	6,5
Other	12,7	10,1
<b>Total non current Assets</b>	<b>346,0</b>	<b>366,4</b>
Inventories	160,5	182,9
Trade and other receivables	308,0	305,3
Other current financial Assets	8,1	4,4
Cash and Cash equivalents	34,5	23,5
<b>Total current Assets</b>	<b>511,2</b>	<b>516,0</b>
<b>Total Assets</b>	<b>857,1</b>	<b>882,4</b>

EQUITY AND LIABILITIES		
(€M)	IFRS	
	2007	2008
<b>Equity attributable to equity holders</b>	<b>306,3</b>	<b>316,0</b>
<b>Minority Interest</b>	<b>7,2</b>	<b>7,4</b>
Non current loans and borrowings	124,5	114,5
Other non current liabilities	44,7	47,7
<b>Total non current Liabilities</b>	<b>169,1</b>	<b>162,2</b>
Current loans and borrowings	172,3	212,8
Trade and other payables	201,2	182,3
Other Current liabilities	0,9	1,7
<b>Total current Liabilities</b>	<b>374,5</b>	<b>396,8</b>
<b>Total Shareholders Equity and Liabilities</b>	<b>857,1</b>	<b>882,4</b>

# Contact Details

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