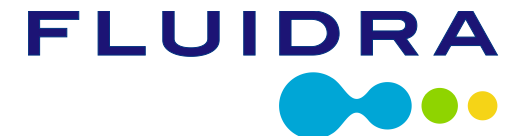


# MAKING WATER PERFORM

Third Quarter 2012 Results

12<sup>th</sup> November 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.

# 3Q2012 Results – Summary

	Key magnitudes			
	€M	Sept.2011 YTD	Sept.2012 YTD	Evol.
Sales		516,8	511,9	-0,9%
EBITDA		70,5	71,8	1,9%
Net Income		23,0	22,5	-2,5%
Net Working Capital		213,3	238,3	11,7%
Free Cash Flow		-14,8	-13,1	1,7M€
Net Financial Debt		180,5	189,2	4,8%

- **Sales:** Stable sales with growth in other geographical areas offsetting weaker demand in southern Europe.
- **EBITDA:** Positive performance on the back of wider margins as a result of the rollout of lean manufacturing initiatives and the sales mix.
- **Net Income** affected by higher non-recurring expenses related to the restructuring programme in southern Europe.
- **Free Cash Flow:** Higher working capital requirements offset by payments relating to Aqua acquisition in 2011.
- **Net Financial Debt:** Is aligned with our year-end target. The syndicated loan signed in July has improved the maturity structure.

# 3Q2012 Results – Fluidra Youli

Within the **process of international expansion in Asia:**

- In the first quarter, **Opening of Fluidra Indonesia:** New branch in Jakarta, Indonesia, by acquiring local brand Dunia Renang, player number 2 in the market, with a local market share of 20% and an annual turnover of Euro 3M.
- Today we announce **the signature of a joint venture in China, Fluidra Youli Fluid Systems (Wenzhou)**, dedicated to fluid handling in the Asian market and an initial focus in the Chinese market.

## THE MARKET:

- **Industrial Fluid Handling - China:** fragmented market of Euro 300 – 350M of local competitors with limited technology.
- **Constitution of Fluidra Youli Fluid Systems (Wenzhou):** Fluidra will participate with **70%** in the Joint Venture and the remaining 30% belongs to a local partner, Youli, who contributes a manufacturing facility and the distribution network. Youli is dedicated to extrusion and injection of C-PVC and U-PVC.
- **Fluidra Youli** will manufacture valves, fittings and pipes both American and metric measures. Fluidra Youli will be the platform to develop the distribution of our Industrial Fluid Handling activity in Asia and in markets as Mexico and USA.

## Presence of Fluidra in Asia



# 3Q2012 Results – Fluidra Youli

## THE OPERATION:

- **Constitution of the Joint Venture:** Fluidra contributes Euro 4,8M and Youli contributes the manufacturing facility.
- There are several **earn out payments conditional on results** up to a maximum limit of Euro 14,9M
  - 2012: Euro 2,1M
  - 2013: Euro 5,5M
  - 2014: Euro 7,3M
- The total amount represent a multiple of 4,2x Ebitda-2012

## STRATEGIC FIT:

- The Joint Venture is one additional step in Fluidra's **strategic plan**.
- This operation reinforces the Group **Internationalization** process, strengthening its market share in Asia where it is already leader in Pool. In addition, this is an important step in the business **Diversification**, increasing the Fluid Handling contribution, which today represents slightly more than 8%.



# 3Q2012 Results – Accumulated Profit and Loss Account

	September 2011 YTD		September 2012 YTD		
	€ M	% sales	€ M	% sales	Evol.12/11
Sales	516,8	100,0%	511,9	100,0%	-0,9%
Gross Margin	256,3	49,6%	256,5	50,1%	0,1%
Opex before Dep.& Amort.	181,0	35,0%	181,0	35,3%	0,0%
Provisions for bad debt	4,8	0,9%	3,9	0,8%	-20,2%
EBITDA	70,5	13,6%	71,8	14,0%	1,9%
EBIT	46,3	9,0%	47,3	9,2%	2,2%
Net Financial Result	-11,1	-2,2%	-10,8	-2,1%	3,0%
PBT	33,8	6,5%	33,4	6,5%	-1,2%
Net Income	23,0	4,5%	22,5	4,4%	-2,5%

- Lower consumption in Southern Europe, almost entirely compensated by the strong performance of other geographical areas, result in **Sales** decline of 0.9%.
- **EBITDA** margin improves in 40 bp, due to different lean programs implemented, opex management and bad debt provisions, despite weaker revenues in southern Europe.
- **Net Income fell** Euro 0.5M, due to non-recurring charges. Financial expenses includes Euro 1.9M of refinancing costs, but is still lower year-on-year due to improved management of exchange-rate offsets.

## 3Q2012 Results – Sales Evolution by Geographical Area

€M	Fluidra Sales by Geographical Area				
	2011 YTD	%	2012 YTD	%	Evolution 12/11
Spain	123,0	23,8%	112,6	22,0%	-8,5%
South Europe - Rest	186,7	36,1%	175,9	34,4%	-5,8%
Central & Northern Europe	74,6	14,4%	71,8	14,0%	-3,7%
Eastern Europe	22,9	4,4%	24,9	4,9%	8,8%
Asia & Australia	65,9	12,8%	76,0	14,9%	15,4%
Rest of World	43,7	8,5%	50,7	9,9%	16,0%
<b>TOTAL</b>	<b>516,8</b>	<b>100,0%</b>	<b>511,9</b>	<b>100,1%</b>	<b>-0,9%</b>

- The macroeconomic environment is affecting the markets where Fluidra operates: **Revenue performance in southern and central Europe** is being affected by the general downturn in consumption, while **revenue in other geographical areas** are offsetting the downtrend in southern and western European markets.

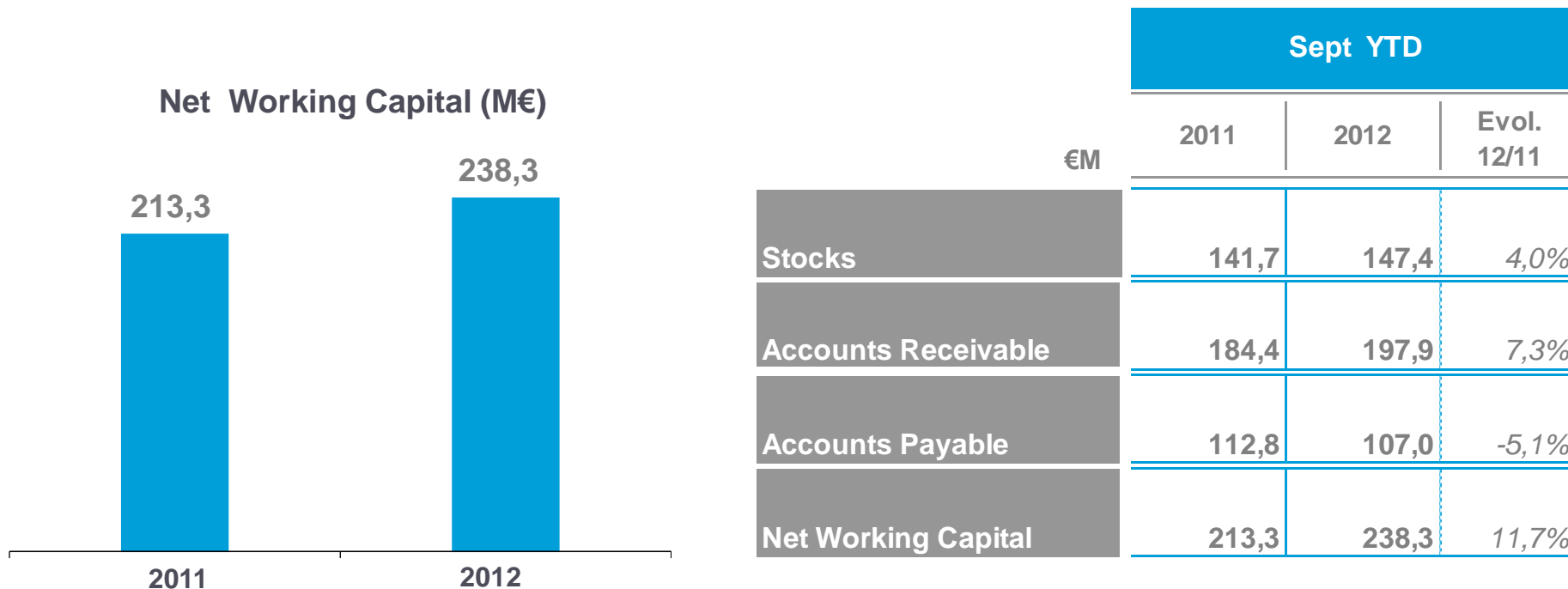
## 3Q2012 Results – Sales Evolution by Business Unit

€M	2011 YTD	% of Total	2012 YTD	% of Total	Evolution %
<b>Pool</b>	<b>355,0</b>	<b>68,7%</b>	<b>351,9</b>	<b>68,8%</b>	<b>-0,8%</b>
- Private	302,6	58,5%	305,9	59,8%	1,1%
- Commercial	52,4	10,1%	46,0	9,0%	-12,2%
<b>Water Treatment</b>	<b>92,1</b>	<b>17,8%</b>	<b>87,6</b>	<b>17,1%</b>	<b>-5,0%</b>
<b>Irrigation</b>	<b>27,9</b>	<b>5,4%</b>	<b>30,1</b>	<b>5,9%</b>	<b>7,8%</b>
<b>Fluid Handling</b>	<b>41,8</b>	<b>8,1%</b>	<b>42,3</b>	<b>8,3%</b>	<b>1,3%</b>
<b>TOTAL</b>	<b>516,8</b>	<b>100,0%</b>	<b>511,9</b>	<b>100,0%</b>	<b>-0,9%</b>

- **Pool:** Adversely impacted by the sharp downturn in European Commercial Pools, driven by the fall in public and private demand.
- **Water Treatment:** Business affected by the economic climate as the bulk of sales are made in southern Europe.
- **Fluid Handling and Irrigation:** The investment made to diversify the business continues to fuel steady growth.

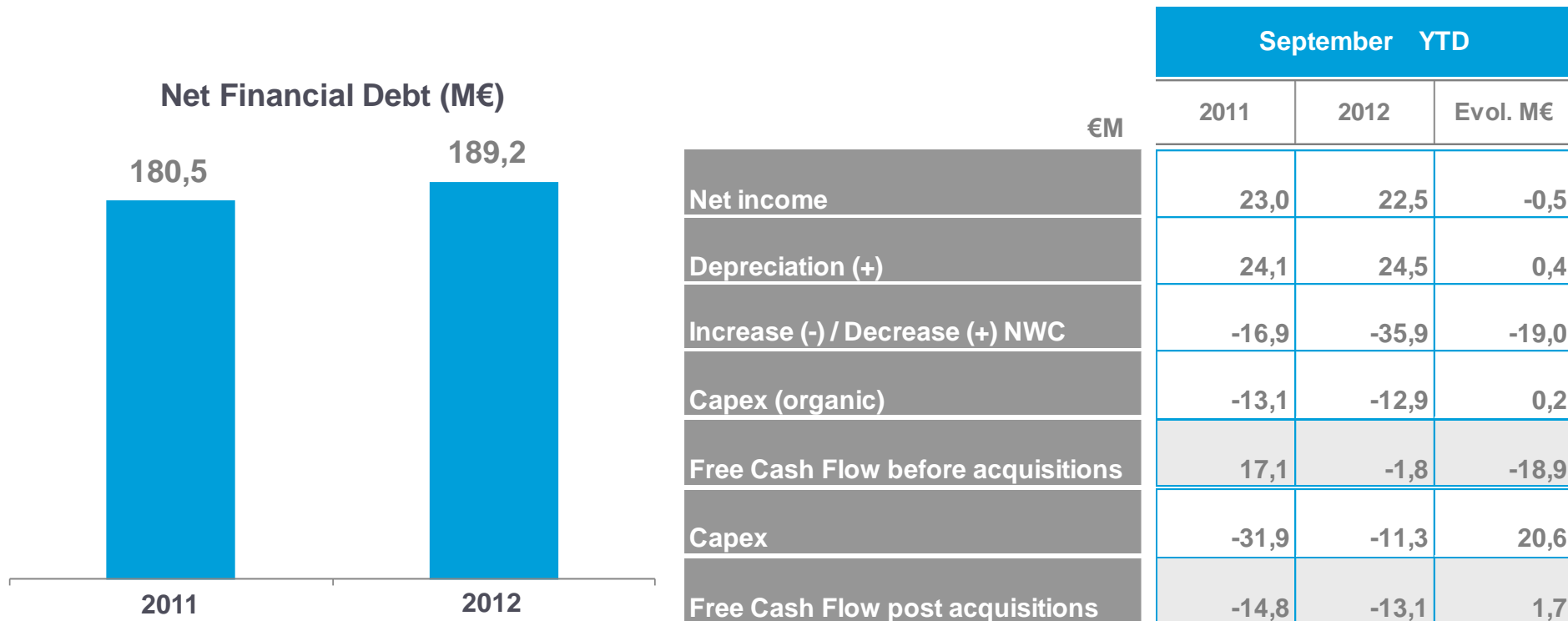


# 3Q2012 Results – Net Working Capital



• **Net working capital** increased by 11.7% compared to 3Q 2011, which had an exceptionally positive figure. **Stocks** reflect the Aquaproducts transition to a degree.

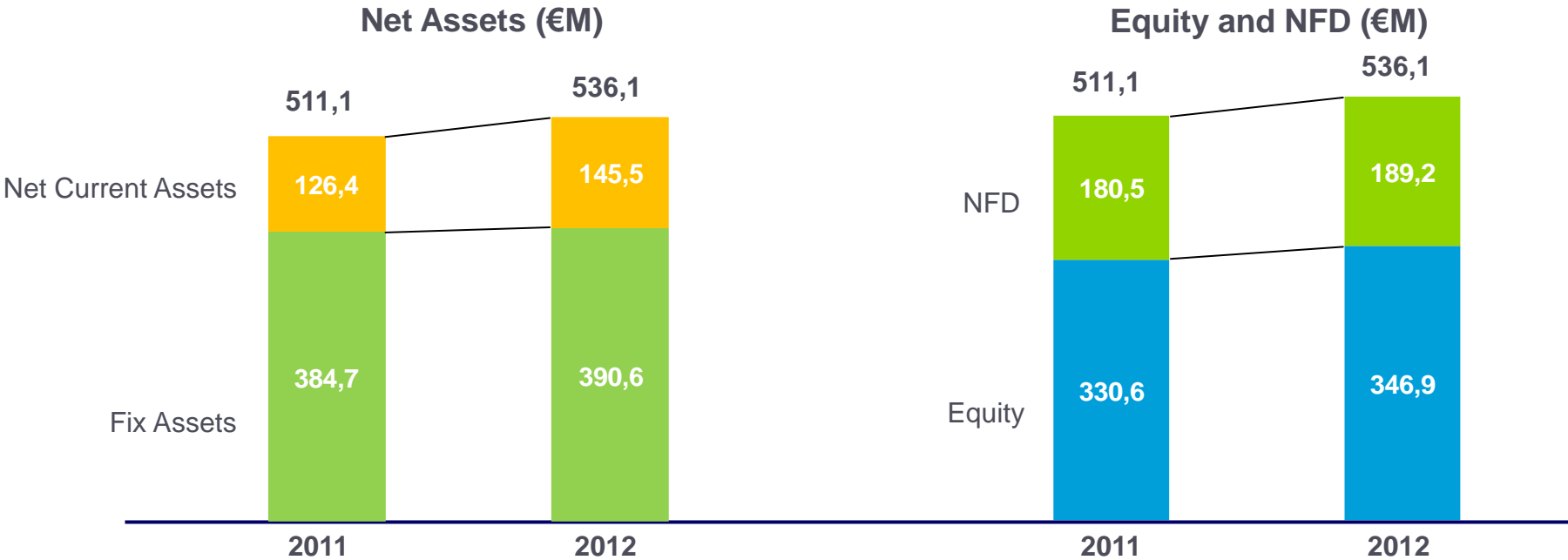
# 3Q2012 Results – Net Financial Debt and Free Cash Flow



- The trend in **Net Debt and Free Cash Flow** in the third quarter enables us to reiterate our NFD/EBITDA guidance for the full year.

# 3Q2012 Results– Balance Sheet Evolution

- The consolidated balance sheet continues to reflect a **solid business performance**. This, coupled with the syndicated loan signed in July, underpins the company's international expansion plan for the next few years.



	2011	2012
NFD/EQUITY	0,6	0,6
NFD /EBITDA (LTM)	2,6	2,6

# 3Q2012 Results – Highlights

---

- **New branch office in Colombia:** Fluidra has opened a branch office in Colombia, where growth is expected initially in the **Swimming Pools** segment, thanks to the growing middle class, and thereafter in the **Fluids Handling** business given its industrial development. Moreover, the country's climate and longstanding popularity as a tourist destination underpins our growth potential in this region. In addition to Colombia, Fluidra has opened five new branch offices in the world this year.
- **Dividends:** At the Annual General Meeting held on 6 June, Fluidra's shareholders agreed to maintain the dividend at €8M (payout: 53%). Payment was made on 5 October.
- **Loan agreement:** On 27 July Fluidra signed a syndicated loan agreement for €158.5M. The agreement contains two tranches:
  - A 5Y tranche of €110M and,
  - A 3Y revolving credit line of €48.5M.

# 3Q2012 Results – Conclusions

---

- **Resilience:** The 3Q results reveal **revenue stability** and **margin improvement**, reflecting the company's resilience in a complex economic climate.
- Fluidra's **strategy** and **management skills** reflect and will continue to do so mirror our capability to execute under different economic circumstances in the markets where we operate:
  - **Declining markets:** Higher market share, diversification and operational deleveraging have led to improvements in efficiency and margins.
  - **Growth markets:** Investment to penetrate these markets and ensure a balanced international portfolio.
- **Materialisation of the joint venture in China:** The creation of the Fluidra Youli joint venture underpins the company's growth potential in China and Asia, strengthening our international expansion strategy and consolidating our fluid handling business.

# MAKING WATER PERFORM

Third Quarter 2012 Results

12<sup>th</sup> November 2012

