

First Half 2011 Results



31 August 2011

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1H2011 Results – Summary

	Key magnitudes			
	€M	June 10 YTD	June 11 YTD	Evol.
Sales		335,5	374,6	11,6%
EBITDA		49,4	57,8	17,0%
Net Income		20,6	24,2	17,5%
Net Working Capital		223,6	254,5	13,8%
Free Cash Flow		-14,7	-26,9	-12,2M€
Net Financial Debt		186,1	221,9	19,2%

- **Sales** registered a positive evolution in all business units, with 7.3% organic growth
- **EBITDA** reflects Opex and Provisions good performance, together with the consolidation of Aqua Products and Aquatron which compensates margin decrease.
- **Net Profit** benefits from 25% EBIT improvement
- **Net Working Capital** and **Net Financial Debt** reflect Aqua Products and Aquatron acquisition
- **Free Cash Flow** evolves in line with higher activity in the semester

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

1H2011 Results – Business highlights: Fluidra Direct

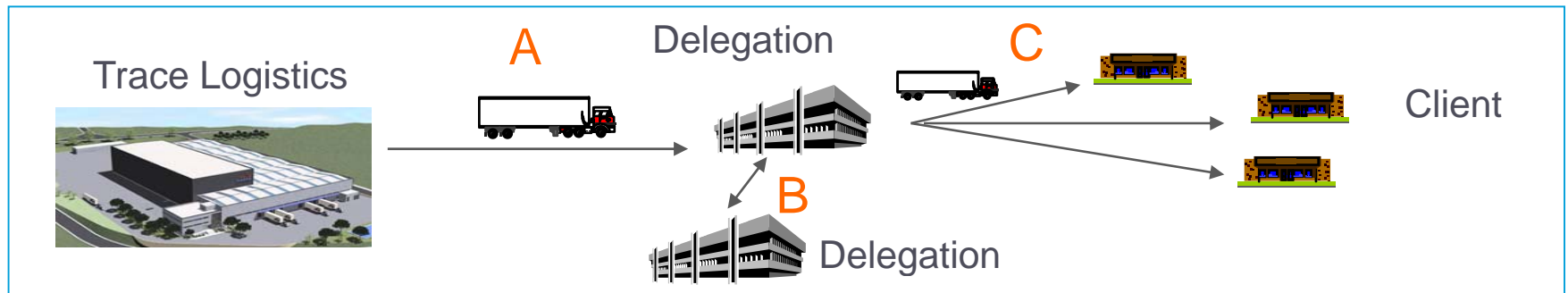
Definition

- Direct delivery system to customers from our central logistic platform (Trace Logistics), bypassing Fluidra commercial delegation

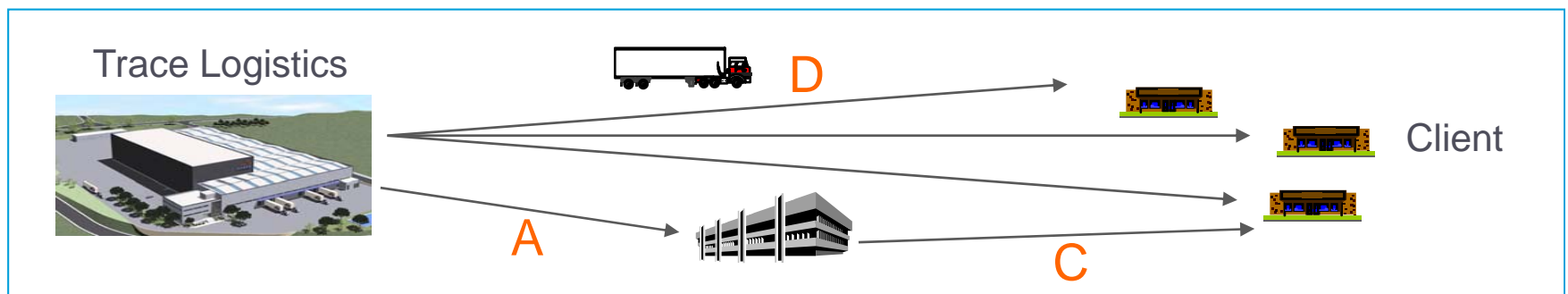
Objectives

- Improve service to end customer
- Accelerate delivery to customer
- Reduce working capital
- Reduce Opex

Previous model



Fluidra Direct



1H2011 Results – Accumulated Profit and Loss Account

	June 2010 YTD		June 2011 YTD		
	€M	% sales	€M	% sales	Evol.11/10
Sales	335,5	100,0%	374,6	100,0%	11,6%
Gross Margin	167,0	49,8%	185,5	49,5%	11,1%
Opex before Dep.& Amort.	114,2	34,0%	124,3	33,2%	8,9%
Provisions for bad debt	3,5	1,0%	3,5	0,9%	0,4%
EBITDA	49,4	14,7%	57,8	15,4%	17,0%
EBIT	33,4	9,9%	41,7	11,1%	25,0%
Net Financial Result	-2,2	-0,7%	-5,6	-1,5%	-152,2%
PBT	29,7	8,9%	35,3	9,4%	18,7%
Net Income	20,6	6,1%	24,2	6,5%	17,5%

- Sales up to June grew organically by 7.3% and by 6.3% in the second quarter (11.4% with Aqua), maintaining the positive trend despite comparing to a high growth 2010 second quarter (+ 7.7%)
- EBITDA margin improved 70 basis points due to good Opex management and the contribution of Aqua Products and Aquatron, offsetting lower Gross Margin (-30 bp)
- Net Financial Result is mainly explained by the negative evolution of exchange rate and Aqua Products and Aquatron acquisition

1H2011 Results – Key magnitudes by Division

	Sales (*)			EBITDA		
	2010 YTD	2011 YTD	Evol. %	2010 YTD	2011 YTD	Evol. %
SWE	185,0	197,3	6,7%	14,5	16,0	10,8%
NEEMEA	55,2	63,2	14,5%	6,5	8,1	24,1%
AAP	49,6	56,2	13,3%	5,1	4,5	-13,0%
Industry	178,9	204,0	14,0%	38,0	44,5	17,1%
TOTAL, Consolidated	335,5	374,6	11,6%	49,4	57,8	17,0%

(*) Division sales are aggregate, including intra group sales. Aqua Products and Aquatron sales are included in the Industrial division

- Overall improvement in EBITDA driven by revenue growth and Opex management. AAP Division EBITDA reflects the pressure on prices and rising commodity cost
- SWE continues to improve its profitability due to the implementation of Lean Management, as well as the Industrial Division which also includes the impact of Aqua Products and Aquatron

1H2011 Results – Sales Evolution by Geographical Area

Fluidra Sales by Geographical Area					
€M	2010 YTD	%	2011 YTD	%	Evolution 11/10
Spain	92,2	27,5%	87,7	23,4%	-4,8%
South Europe - Rest	126,1	37,6%	145,3	38,8%	15,2%
Western & Northern Europe	48,4	14,4%	53,8	14,4%	11,2%
Eastern Europe	12,1	3,6%	15,1	4,0%	24,7%
Asia & Australia	37,6	11,2%	42,6	11,4%	13,3%
Rest of World	19,2	5,7%	30,1	8,0%	56,6%
TOTAL	335,5	100,0%	374,6	100,0%	11,6%

- Spain's development is affected by strong growth in 2Q 2010 (+13.6%) , the execution of an Industrial Water Treatment plant in 1H2010, and lower above-ground pool sales in mass market retailers in 2011
- Rest of Europe showed very strong growth supported on good performance across all Business Units and Aqua Products and Aquatron contribution
- Asia and Australia continue their positive trend, despite the negative impact of exchange rate (16.9% excluding exchange rate effects)
- Rest of the World reflects the impact of the introduction of Aqua Products and Aquatron, with organic growth of 13.3%

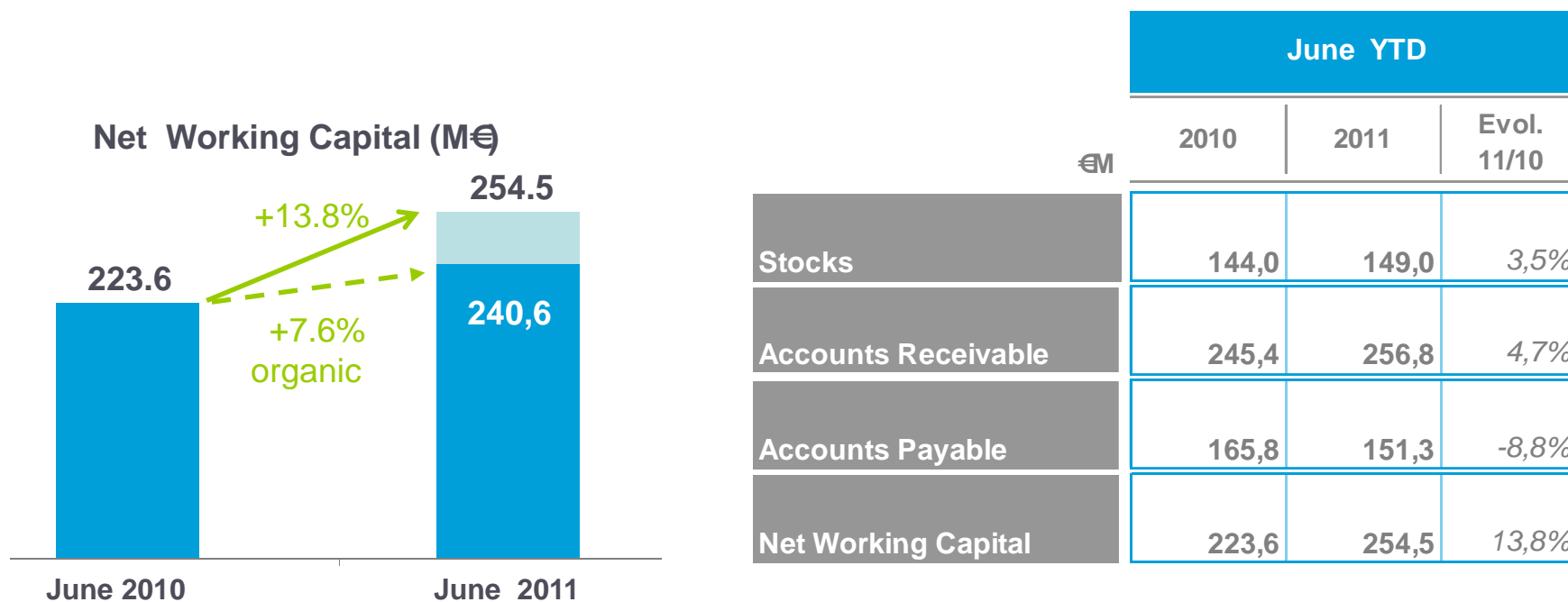
1H2011 Results – Sales Evolution by Business Unit

€M	2010 YTD	% of Total	2011 YTD	% of Total	Evolution %
Pool (1)	231,3	68,9%	258,3	68,9%	11,7%
- Private	195,6	58,3%	222,2	59,3%	13,5%
- Commercial	35,6	10,6%	36,1	9,6%	1,5%
Water Treatment	61,7	18,4%	65,5	17,5%	6,2%
Irrigation	15,9	4,8%	20,7	5,5%	29,7%
Fluid Handling	26,7	7,9%	30,2	8,0%	13,1%
TOTAL	335,5	100,0%	374,6	100,0%	11,6%

(1) Excludes Pool Water Treatment

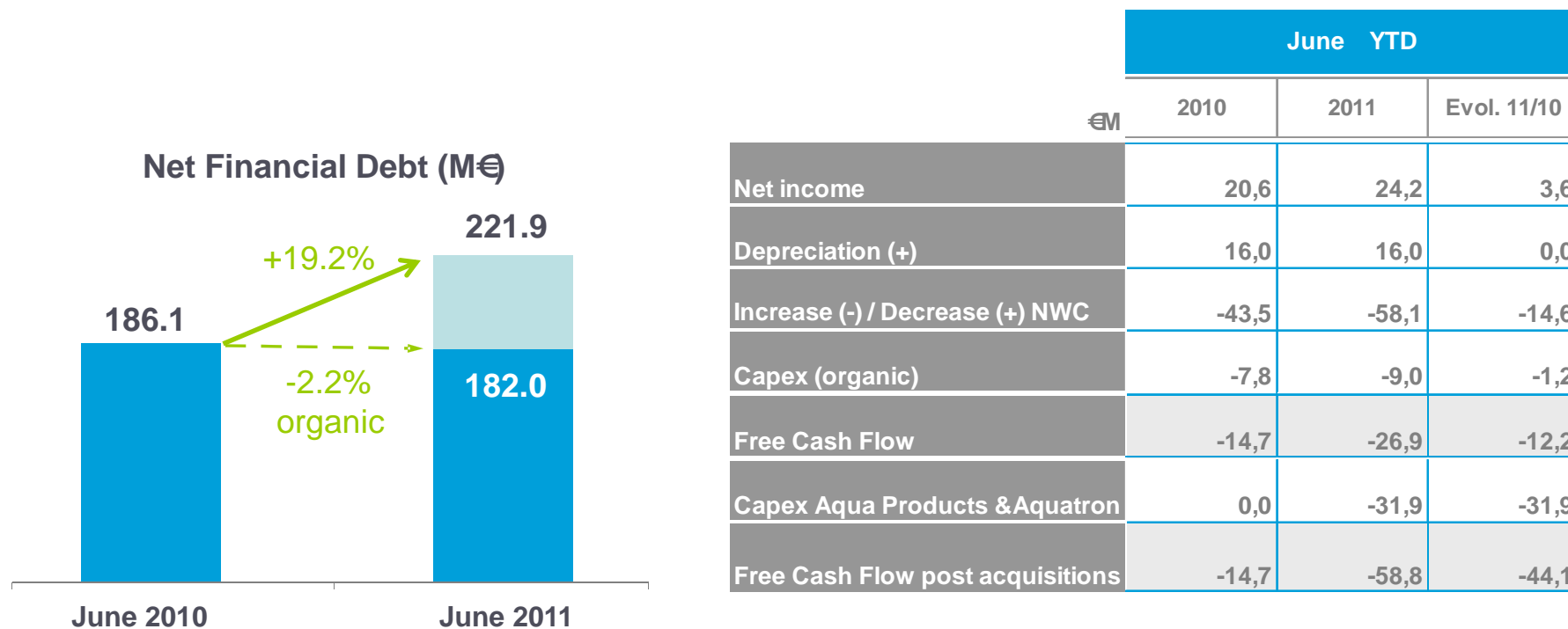
- Pool maintains its growth near 2%, increasing 5.3% organically. In Private Pool, Aqua Products and Aquatron drive growth from 6.0% organic to 13.5%
- Water Treatment accumulated growth is 6.2% with a good performance of the Residential segment, offsetting Industrial segment evolution
- Irrigation with growth of 29.7% and Fluid Handling with 13.1%, show the results of our diversification effort

1H2011 Results – Net Working Capital



- Net Working Capital reflects both the increase in production as the addition of Aqua Products and Aquatron since March 2011
- Organic growth of Net Working Capital is 7.6% , which is in line with organic sales growth (+7.3%)

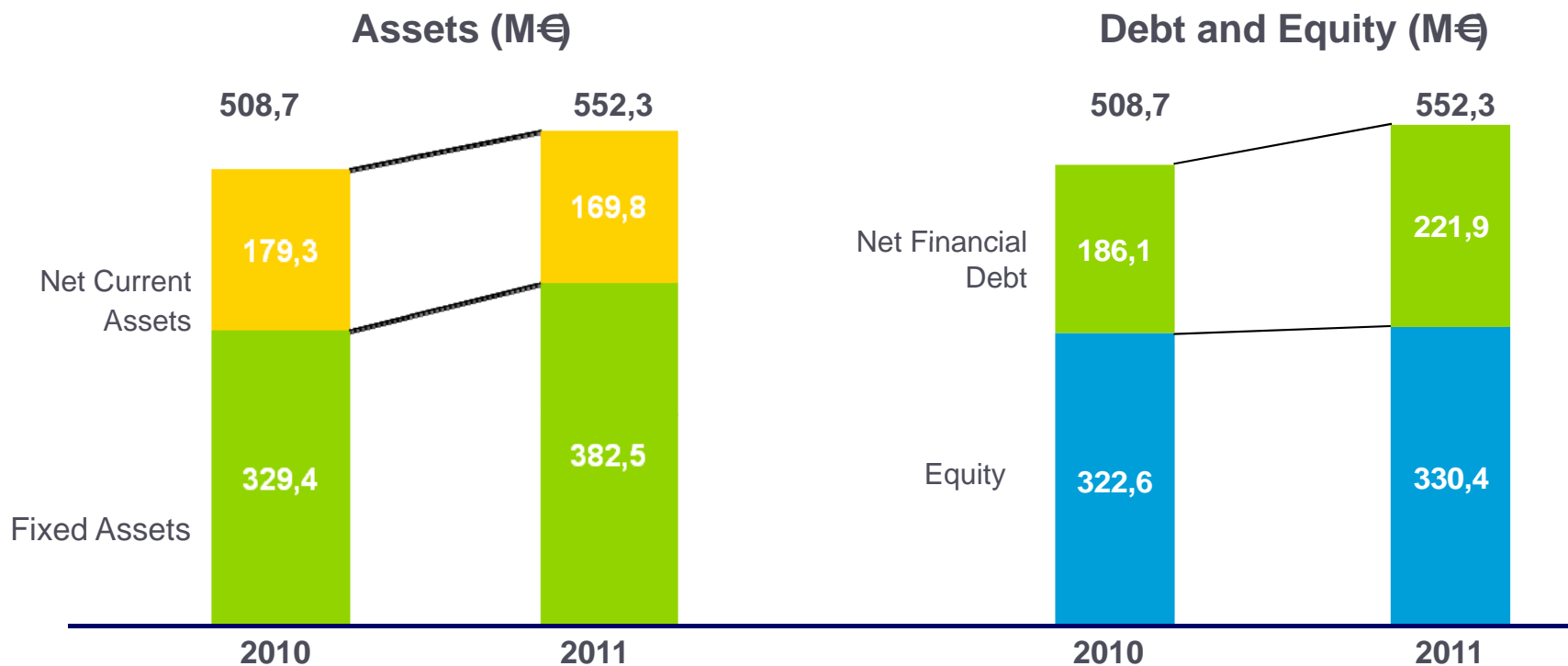
1H2011 Results – Net Financial Debt and Free Cash Flow



	June YTD		
	2010	2011	Evol. 11/10
Net income	20,6	24,2	3,6
Depreciation (+)	16,0	16,0	0,0
Increase (-) / Decrease (+) NWC	-43,5	-58,1	-14,6
Capex (organic)	-7,8	-9,0	-1,2
Free Cash Flow	-14,7	-26,9	-12,2
Capex Aqua Products & Aquatron	0,0	-31,9	-31,9
Free Cash Flow post acquisitions	-14,7	-58,8	-44,1

- Net Financial Debt and Free Cash Flow evolution for the semester was marked by the acquisition of Aqua Products and Aquatron (payment of 31.9 M € in March 2011)
- Free Cash Flow reflects the increased investment in Net Working Capital as a result of the activity increase in the semester

1H2011 Results– Balance Sheet key magnitudes evolution



- Quarterly Balance Sheet includes the financial purchase price allocation of Aqua Products and Aquatron acquisition that has generated Goodwill of 33M€ and Intangible Assets of 30M€

1H2011 Results – Highlights

- **International expansion: opening 2 new offices**

- In May Fluidra opened facilities in Serbia ("Fluidra Adriatic") to respond to the needs of markets in southeast Europe, which show significant potential for growth in the coming years.
- In July the Company opened in Cape Town its second office in South Africa. The goal is to continue growing in sub-Saharan African countries and Indian Ocean islands.

- **Lean Management: implementation of Fluidra commercial branch new model**

- In June opened in Sant Boi de Llobregat (Barcelona) the new branch model. The concept is focused on satisfying customer needs by providing better customer care, with efficient service, a showroom, a self-service area and space for customer training. The model will be implemented in all Fluidra branches over the coming years.

- **Shareholder's remuneration: dividend doubled**

- The shareholders meeting held last June approved the payment of 8 million Euros dividend, doubling the amount of previous year, reflecting the balance sheet strength and commitment of the company to its shareholders. Payment will take place on October 7, 2011.

1H2011 Results – Conclusions

- 1) Second quarter results show continued positive trend, with cumulative growth of sales in the semester of 11.6% and improved profitability reflected on EBITDA 17.0% growth
- 2) These good figures are the result of proper execution of our growth strategy:
 - **Internationalization**
 - Spain represents 23% of sales
 - Opening of 2 new delegations (Serbia and South Africa); direct presence in 35 countries with 122 delegations
 - **Expansion of turnkey Wellness and Industrial Water Treatment projects**
 - Ancient Bath wellness project (New York city)
 - Acerinox Industrial Water Treatment plant (Malaysia)
 - **Diversification into Irrigation and Fluid Handling products**
 - Irrigation grew 29.7% and Fluid Handling 13.1%
- 3) The integration of Aqua Products and Aquatron is being very positive, as reflected in the results. We will continue working to ensure the capture of the entire estimated synergies