

# Third Quarter 2010 Results

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12 November 2010

# Aviso Legal

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# Results 3Q2010 – Highlights

	Key magnitudes			
	€M	Sep 09 YTD	Sep 10 YTD	Evol.
Sales		460,7	481,0	4,4%
EBITDA		50,7	65,0	28,3%
Net Profit		3,2	20,6	
Net Profit Normalized		9,6	21,6	124,0%
Net Working Capital		215,6	214,7	-0,4%
Free Cash Flow		30,2	2,5	
Net Financial Debt		197,5	171,5	-13,2%

Note: Profit normalized is calculated before extraordinary items.

- **Sales** growth of 4.4% at the closing of a positive campaign with good performance of Pool, Irrigation and Water Treatment business

- Excellent **EBITDA** increase driven by Sales and Gross Margin improvements, together with lower bad debt provisions

- **Net Profit** boosted by strong EBIT (+ 48.9%) and Net Financial Result (+ 59.5%) growth

- **Net Working Capital** and **Net Financial Debt** level is aligned with our end of year expectations

# Results 3Q2010 – P&L

	September 2009 YTD		September 2010 YTD		Evol.10/09
	€ M	% sales	€ M	% sales	
Sales	460,7	100,0%	481,0	100,0%	4,4%
Gross Margin	220,1	47,8%	237,9	49,5%	8,1%
Opex before Dep.& Amort.	161,0	34,9%	167,7	34,9%	4,1%
Provisions for bad debt	8,4	1,8%	5,2	1,1%	-37,5%
EBITDA	50,7	11,0%	65,0	13,5%	28,3%
EBIT	27,3	5,9%	40,7	8,5%	48,9%
Net Financial Result	-9,8	-2,1%	-4,0	-0,8%	59,5%
PBT	7,0	1,5%	34,7	7,2%	—
PBT Normalized	17,5	3,8%	36,7	7,6%	—
Net Profit	4,2	0,9%	24,1	5,0%	—
Net Profit Normalized	11,6	2,5%	25,6	5,3%	—

Note: Profit normalized is calculated before extraordinary items.

- Sales continue its positive trend achieving a year to date growth of 4.4%
- Gross Margin increases 170 basis points due to productivity improvements obtained after the restructuring actions implemented in 2009
- Opex increase is due to volume increase, exchange rate effect and investment in emerging markets
- Net Financial Result is lower than the prior year due to the reduction of both average Net Financial Debt and its cost, together with foreign exchange impacts

# Results 3Q2010 – Third Quarter stand alone

	3Q 2009		3Q 2010		Evol.10/09
	€ M	% sales	€ M	% sales	
Sales	140,7	100,0%	145,5	100,0%	3,4%
Gross Margin	65,7	46,7%	70,9	48,8%	8,0%
EBITDA	12,8	9,1%	15,6	10,8%	22,5%
Net Profit	1,1	0,8%	3,5	2,4%	—

- Sales grow 3.4% in the third quarter, which is the one that suffered less by the crisis due to its high level of recurrence
- Increase in Sales and improvement in productivity drive a strong EBITDA growth in the quarter, improving EBITDA Margin by 170 basis points compared to 2009

# Results 3Q2010 – Key Magnitudes by Division

	Sales (*)			EBITDA		
	2009 YTD	2010 YTD	Evol. %	2009 YTD	2010 YTD	Evol. %
<b>SWE</b>	263,8	265,4	0,6%	13,6	19,5	43,4%
<b>NEEMEA</b>	79,4	81,2	8,5%	8,8	9,4	7,0%
<b>AAP</b>	60,1	75,8	26,2%	4,8	7,5	55,9%
<b>Industrial</b>	215,5	238,8	10,8%	30,5	46,4	52,5%
<b>TOTAL, Consolidated</b>	<b>460,7</b>	<b>481,0</b>	<b>4,4%</b>	<b>50,7</b>	<b>65,0</b>	<b>28,3%</b>

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

- All Divisions improve their EBITDA as a consequence of Sales growth and measures to increase efficiency implemented during last year.

# Results 3Q2010 - Sales Evolution by Geographical Area

Fluidra Sales by Geographical Area					
€M	2009 YTD	%	2010 YTD	%	Evolution 10/09
Spain	125,2	27,2%	131,0	27,2%	4,6%
South Europe - Rest	175,2	38,0%	174,1	36,2%	-0,6%
Western & Northern Europe	67,4	14,6%	69,4	14,4%	2,9%
Eastern Europe	18,3	4,0%	19,4	4,0%	6,1%
Asia & Australia	48,4	10,5%	58,9	12,2%	21,6%
Rest of World	26,2	5,7%	28,3	5,9%	8,2%
<b>TOTAL</b>	<b>460,7</b>	<b>100,0%</b>	<b>481,0</b>	<b>100,0%</b>	<b>4,4%</b>

- Spain closes 2010 sales campaign with cumulated growth of 4.6%
- South Europe Sales maintain similar level to 2009, continuing with the positive trend of France and the relative improvement of the negative growth rates of Italy and Portugal. Northwestern and Eastern Europe accelerate its growth in the quarter
- Asia and Australia together with the Rest of the World area achieve double digit growth in the quarter

# Results 3Q2010 – Sales by Business Unit

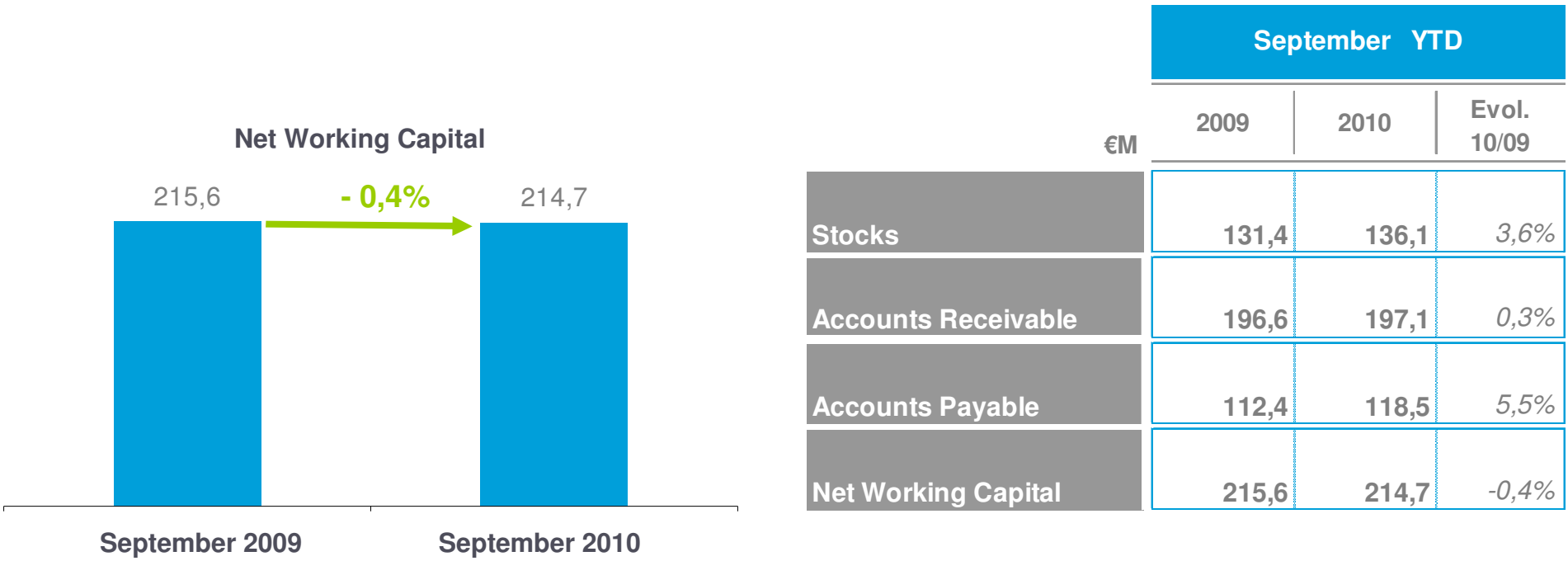
€ M	2009 YTD	% of Total	2010 YTD	% of Total	Evolution %
<b>Pool (1)</b>	<b>312,8</b>	<b>67,9%</b>	<b>327,7</b>	<b>68,1%</b>	<b>4,8%</b>
- Private	264,5	57,4%	276,9	57,6%	4,7%
- Commercial	48,2	10,5%	50,8	10,6%	5,4%
<b>Water Treatment</b>	<b>85,8</b>	<b>18,6%</b>	<b>90,9</b>	<b>18,9%</b>	<b>5,9%</b>
<b>Irrigation</b>	<b>23,1</b>	<b>5,0%</b>	<b>24,0</b>	<b>5,0%</b>	<b>4,1%</b>
<b>Fluid Handling</b>	<b>39,1</b>	<b>8,5%</b>	<b>38,5</b>	<b>8,0%</b>	<b>-1,5%</b>
<b>TOTAL</b>	<b>460,7</b>	<b>100,0%</b>	<b>481,0</b>	<b>100,0%</b>	<b>4,4%</b>

(1) Excludes Water Treatment sales

- Pool maintains its good year to date performance on Private and Commercial segments, with a weak performance of the Commercial segment in Spain in the quarter
- Water Treatment grows at 6% up to September with positive trends in both Industrial and Residential segment during third quarter
- Irrigation increases its Sales by 4.1% driven by the strong performance of Landscape during the quarter (+11%)
- Fluid Handling maintains its progressive recovery trend started in the first quarter

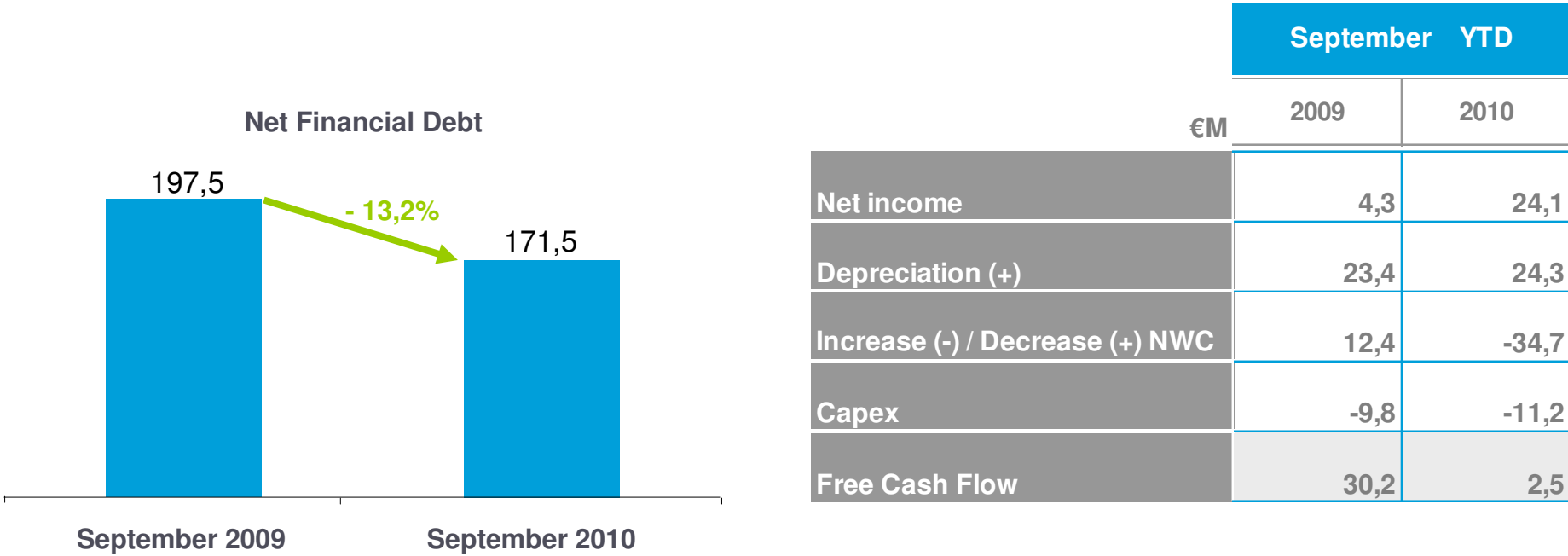


# Results 3Q2010 – Net Working Capital



- Net Working Capital improve its turns by 3 days, which allows to maintain its absolute value slightly below 2009 level, despite a 4.4% Sales growth

# Results 3Q2010 – Net Financial Debt and Free Cash Flow



	September YTD	
	2009	2010
Net income	4,3	24,1
Depreciation (+)	23,4	24,3
Increase (-) / Decrease (+) NWC	12,4	-34,7
Capex	-9,8	-11,2
Free Cash Flow	30,2	2,5

- Net Financial Debt shows a reduction of 13.2% (-26M€) due to last 12 months Free Cash Flow generation
- As of September 2010 long term position of Net Debt represents 79.1% of total Net Debt, which compares to a 56.4% in September 2009

# Results 3Q2010 – 3Q outstanding news

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- Fluidra has won a contract in Malaysia to develop a Water Treatment plant in a stainless steel plant , which is 4.4 millions of Euros worth. Astramatic, the engineering company specialized in Water Treatment at Fluidra Group is in charge of the project design
- Astramatic has also equipped a seawater desalination plant located in southern Iraq, for a total cost of 1.5 million Euros. The desalination plant has two facilities that work in parallel and that turn out a total volume of 5,000 m<sup>3</sup>/day of water that is used in the refinery's industrial processes.
- Xavier Tintoré joins Fluidra as its new CFO. Tintoré has a Degree in Business Studies from the ESADE, he passed the General Management Programme (PDG) run by the IESE, and he holds a master's degree from the École des Hautes Etudes Commerciales (HEC, Paris). Fluidra's new senior manager has long-standing experience in finance and international affairs

# Results 3Q2010 – Summary

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- Year to date financial performance confirms that Fluidra has overcome the downturn of the global economy, and its now ready to start a new development phase. Good business performance in our key markets and the return to pre-crisis profitability levels allows the company to enter confidentially into this new phase
- The guidance for 2010 for Sales and EBITDA growth can be slightly improved thanks to year to date performance  
Sales trend in the third quarter allows us to improve the growth rate and results 2010 estimates given in February
- The Company will continue to focus its efforts in three axis:
  - (1) Capturing opportunities in mature markets
  - (2) Expanding into emerging markets with three focus:
    - 2.1 Entrance in emerging markets
    - 2.2 Project companies
    - 2.3 Sales diversification beyond South Europe
  - (3) Implementation of Lean Management Program in order to improve efficiency and productivity