

Fluidra, S.A.

Annual Accounts

31 December 2011

Directors' Report

2011

(With Auditors' Report Thereon)
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

FLUIDRA, S.A.

Annual Accounts and Directors's Report

31 December 2011

(With Auditor's Report thereon)

(Free translation from the original in Spanish.
In the event of discrepancy, the Spanish-language version prevails

KPMG Auditores, S.L.
Torre Realia
Plaça d'Europa, 41
08908 L'Hospitalet de Llobregat
Barcelona

Auditors' Report on the Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the original Spanish-language version prevails.)

To the Shareholders of
Fluidra, S.A.

We have audited the annual accounts of Fluidra, S.A. (the "Company"), which comprise the balance sheet at 31 December 2011, the income statement, the statement of changes in equity and the statement of cash flows for the year then ended and the notes thereto. The Company's Directors are responsible for the preparation of the annual accounts in accordance with the financial information reporting framework applicable to the entity (specified in note 2 to the accompanying annual accounts) and, in particular, with the accounting principles and criteria set forth therein. Our responsibility is to express an opinion on the annual accounts taken as a whole, based on our audit, which was conducted in accordance with prevailing legislation regulating the audit of accounts in Spain, which requires examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts and evaluating whether their overall presentation, the accounting principles and criteria used and the accounting estimates made comply with the applicable legislation governing financial information.

In our opinion, the accompanying annual accounts for 2011 present fairly, in all material respects, the equity and financial position of Fluidra, S.A. at 31 December 2011, and the results of its operations and its cash flows for the year then ended, in accordance with the applicable financial information reporting framework and, in particular, with the accounting principles and criteria set forth therein.

The accompanying directors' report for 2011 contains such explanations as the Directors consider relevant to the situation of Fluidra, S.A., the evolution of its business and other matters, and is not an integral part of the annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the annual accounts for 2011. Our work as auditors is limited to the verification of the directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of the Company.

KPMG Auditores, S.L.

(Signed on original in Spanish.)

Manuel Blanco Vera

26 April 2012

FLUIDRA, S.A.

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(Free translation from the original in Spanish.

In the event of discrepancy, the Spanish-language version prevails

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Income Statements

31 December 2011 and 2010

(Expressed in Thousand of Euros)

<u>Assets</u>	<u>Notes</u>	<u>31/12/2011</u>	<u>31/12/2010</u>
Intangible assets	Note 5	1,940	986
Property, plant and equipment	Note 6	1,464	1,484
Non-current investments in group companies and associates	Note 8	304,893	269,893
Non-current investments		1,980	1,983
Derivative financial instruments	Note 9 y 17	-	6
Equity instruments	Note 9	155	203
Other financial assets	Note 9	1,825	1,774
Deferred tax assets	Note 26	2,225	1,620
Total non-current assets		312,502	275,966
Trade and other receivables	Note 10	1,861	1,904
Current investments in group companies and associates		103,172	144,326
Loans to companies	Note 8	7,578	7,635
Other financial assets	Note 8	95,594	136,691
Current investments	Note 11	20,827	6,406
Derivative financial instruments	Note 11 y17	266	48
Other financial assets		20,561	6,358
Prepayments	Note 12	165	249
Cash and cash equivalents	Note 13	28,937	55,036
Total current assets		154,962	207,922
TOTAL ASSETS		467,464	483,887
<u>Equity</u>			
Equity	Note 14	238,655	244,77
Share capital		112,629	112,629
Share premium		92,831	92,831
Reserves		39,358	52,918
Profit of the year		2,205	(5,572)
Treasury shares		(8,368)	(8,037)
Valuation adjustments		(262)	(122)
Hedging operations		(262)	(122)
Government grants	Note 15	84	103
Total Equity		238,477	244,75
<u>Liabilities</u>			
Non-current provisions		50	100
Non-current payables		95,651	59,719
Loans and borrowings	Note 16	95,218	59,445
Derivative financial instruments	Note 17	433	274
Deferred tax liabilities		3,142	3,043
Total non-current liabilities		98,843	62,862
Current payables		79,374	86,655
Loans and borrowings	Note 16	79,307	86,624
Derivative financial instruments	Note 17	67	31
Group companies and associates – current	Note 18	48,474	87,307
Trade and other payables	Note 19	2,296	2,313
Total current liabilities		130,144	176,275
TOTAL EQUITY AND LIABILITIES		467,464	483,887

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Income Statements

31 December 2011 and 2010

(Expressed in Thousand of Euros)

	Notes	31/12/2011	31/12/2010
Revenue		17,104	6,923
Dividends	Note 21	9,592	-
Services rendered	Note 21	7,512	6,923
Self-constructed assets	Note 5	726	225
Other operating income		52	1,250
Non trading-income		6	1,196
Operating grants		46	54
Personnel expenses	Note 21	(7,485)	(6,138)
Wages, salaries and other		(6,033)	(5,152)
Social security and other		(1,452)	(986)
Other operating expenses		(6,775)	(6,115)
Operating expenses		(6,477)	(6,028)
Taxes		(19)	(29)
Impairment losses on non-current assets	Note 8 y 9	(279)	(58)
Amortisation and depreciation	Note 5 y 6	(983)	(870)
Results from operating activities		<u>2,639</u>	<u>(4,725)</u>
Finance income		2.801	2.137
Group companies and associates		23	9
Other		2.778	2.128
Finance expenses		(6.061)	(3.174)
Other		(6.061)	(3.174)
Change in fair value of financial instruments		150	(39)
Derivative financial instruments		150	(39)
Exchange differences		(328)	(493)
Net finance income		<u>(3,438)</u>	<u>(1,569)</u>
Profit before income tax		<u>(799)</u>	<u>(6,294)</u>
Income tax	Note 26	(3,004)	(722)
Profit from continuing operations		<u>2,205</u>	<u>(5,572)</u>

FLUIDRA, S.A.

Statement of Recognised Income and Expenses
for the years ended 31 December 2011 and 2010

A) Statements of Recognised Income and Expenses

(Expressed in Thousands of Euros)

	Notes	31/12/2011	31/12/2010
Profit / (Loss) for the year		2,205	(5,572)
Income and expenses recognised directly in equity			
Cash flow hedging	Note 17	(200)	142
Grants, donations & legacies	Note 15	(27)	147
Tax effect		68	(86)
Total income and expenses recognised directly in equity		(159)	203
Total income and expenses recognised		<u>2,046</u>	<u>(5,369)</u>

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B) Statements of Comprehensive Changes in Equity
for the years ended 31 December 2011 and 2010

(Expressed in Thousands of Euros)

	Share capital	Share premium	Legal reserve	Other reserves	Profit for the year	Treasury shares	Valuation adjustments	Grants, donations & legacies	Total
Balance at 1 January 2010	112,629	92,831	9,502	39,251	8,828	(5,491)	(222)	-	257,328
Profit / (loss) recognised in equity	-	-	-	-	-	-	100	103	203
Profit / (loss) to the year	-	-	-	-	(5,572)	-	-	-	(5,572)
Recognised income and expense	-	-	-	-	(5,572)	-	100	103	(5,369)
Operations with own shares (net)	-	-	-	(3)	(2,546)	-	-	-	(2,549)
Distribution of dividends	-	-	-	-	(4,000)	-	-	-	(4,000)
Increase / (decrease) of equity because of business combinations	-	-	-	(710)	-	-	-	-	(710)
Payments based on own equity instruments	-	-	-	50	-	-	-	-	50
Other changes in equity	-	-	883	3,945	(4,828)	-	-	-	-
Balance at 31 December 2010	112,629	92,831	10,385	42,533	(5,572)	(8,037)	(122)	103	244,750
Profit / (loss) recognised in equity	-	-	-	-	-	-	(140)	(19)	(159)
Profit / (loss) to the year	-	-	-	-	2,205	-	-	-	2,205
Recognised income and expense	-	-	-	-	2,205	-	(140)	(19)	2,046
Operations with own shares (net)	-	-	-	(139)	-	(331)	-	-	(470)
Distribution of dividends	-	-	-	(8,000)	-	-	-	-	(8,000)
Payments based on own equity instruments	-	-	-	150	-	-	-	-	150
Other changes in equity	-	-	-	(5,571)	5,572	-	-	-	1
Balance at 31 December 2011	112,629	92,831	10,385	28,973	2,205	(8,368)	(262)	84	238,477

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Statement of Cash Flows
for the years ended
31 December 2011 and 2010

(Expressed in Thousands of Euros)

	Notes	31/12/2011	31/12/2010
<u>Cash flows from operating activities</u>			
Profit for the year before tax		(799)	(6,294)
Adjustments for:			
Amortisation and depreciation	Note 5 y 6	983	870
Impairment losses	Note 8	279	58
Finance income		(2,801)	(2,138)
Finance expense		6,061	3,174
Change in fair value of financial instruments	Note 17	(218)	(17)
Variation in provisions		-	100
Grants transfered to income		(27)	-
Expenses for payments based on own equity instruments		100	50
Exchange rate expenses		-	39
Changes in operating assets and liabilities			
Trade and other receivables		612	(81)
Trade and other payables		134	(32)
Other cash flows from operating activities			
Interest collected		2,640	1,388
Interest paid		(5,781)	(2,744)
Collects / (payments) for income tax		1,962	(962)
Cash flows from operating activities		<u>3,145</u>	<u>(6,588)</u>
<u>Cash flows from investing activities</u>			
Proceeds from sale of property, plant and equipment	Note 6	(561)	(468)
Proceeds from sale of intangible assets	Note 5	(1,356)	(468)
Proceeds from sale of investments		(49,324)	(6,208)
Collects for investments in property, plant and equipment		-	3
Collects for investments in subsidiary companies net of cash and cash equivalents		-	18
Collects for desinvestments in financial assets		-	20
Cash flows from investing activities		<u>(51,241)</u>	<u>(7,103)</u>
<u>Cash flows from financing activities</u>			
Acquisition of own equity instruments		(1,610)	(2,556)
Disposal of own equity instruments		1,141	7
Issue of loans and borrowings		93,000	70,451
Payments for debts with group and associated companies		2,289	7,402
Redemption and repayment of loans and borrowings		(64,823)	(10,325)
Dividends paid	Note 14	(8,000)	(4,000)
Cash flow from financing activities		<u>21,997</u>	<u>60,979</u>
Increase/(decrease) in cash and cash equivalents		(26,099)	47,288
Cash and cash equivalents at beginning of year		55,036	7,888
Effect of exchange rate fluctuations		-	(140)
Cash and cash equivalents at year end	Note 13	<u>28,937</u>	<u>55,036</u>

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Notes to the Annual Accounts

1. Nature and Principal Activities

Fluidra, S.A. (hereinafter the Company) was incorporated in Girona with limited liability under Spanish law on 3 October 2002 under the name of Aquaria de Inv. Corp., S.L. Its name was changed to the current one on 17 September 2007.

The statutory and principal activities of the Company consist of the holding and use of shares, stocks and other securities and advising, managing and administering companies in which it holds an interest.

The registered offices of the Company are located at Avenida Francesc Macià, nº 60, planta 20, in Sabadell (Barcelona).

The Company is the Parent of a group, the principal activity of which consists of the manufacture and commercialisation of accessories and specific products for swimming pools, irrigation, and water treatment and purification systems.

Fluidra, S.A. is the Parent of the Group formed of the subsidiaries (hereinafter Fluidra Group or the Group) details of which are included in Appendix I. The Group also holds interests in other entities and in joint ventures, which are detailed in Appendix I.

As a result of the general economic downturn in 2008 and 2009, which has particularly affected the Spanish market, the Group is currently re-organising its production capacity with the aim of achieving distribution synergies.

This process includes a re-definition of the Group's organisational set-up (see note 6). The directors of various subsidiaries have also prepared merger projects, which have been approved or presented for approval by their respective shareholders. These concentration and merger procedures have not implied that any operations have been discontinued and the majority of the assets previously existing in these companies have not been impaired.

These integration and merger processes have not implied any discontinued operations or impairment in the majority of the assets previously existing in these companies.

At the ordinary annual general meeting held on 2 June 2010, the shareholders approved the Company's takeover merger of its subsidiary Fluidra Services, S.A.U. (see note 4).

2 Basis of Presentation**a) Fair view and comparative information**

The annual accounts at 31 December 2011 have been prepared on the basis of the Company's accounting records and in accordance with prevailing mercantile legislation and the Spanish General Chart of Accounts approved by Royal Decree 1514/2007 to present fairly the Company's equity and financial position at 31 December 2011 and results of operations, changes in equity and cash flows for the year then ended.

The directors consider that the annual accounts for 2011 will be approved without significant changes.

The figures disclosed in the annual accounts are expressed in thousands of Euros, the Company's functional and presentation currency, rounded off to the nearest thousand.

b) Comparison of information

The balance sheet, income statement, statement of changes in equity, statement of cash flows and notes thereto for 2011 include comparative figures for 2010 which formed a part of the annual accounts approved by the shareholders at the annual general meeting held on 8 June 2011.

c) Group of companies

As mentioned in note 8, the Company holds shares in subsidiaries and therefore, in accordance with prevailing legislation, it is the Parent of a Group. In addition to the individual annual accounts, on 26 March 2011 the directors prepared the consolidated annual accounts of Fluidra, S.A. and subsidiaries at 31 December 2011 prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS), which show losses attributable to

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equityholders of the Parent of Euros 15,077 thousand (15,936 thousand in 2010) and equity of Euros 326,425 thousand (316,445 thousand in 2010). The consolidated annual accounts will be deposited in the Barcelona Mercantile Registry.

d) Critical issues regarding the valuation and estimation of relevant uncertainties and judgements used when applying accounting principles

Relevant accounting estimates and judgements, estimates and assumptions have to be made when applying the Company's accounting principles to prepare the annual accounts. A summary of the items requiring a greater degree of judgement or which are more complex, or where the assumptions and estimates made are significant to the preparation of the annual accounts is as follows:

- Relevant accounting estimates and assumptions and judgements when applying accounting principles

The Company's annual accounts for 2011 and 2010 include estimations made by Management to quantify certain assets, liabilities, income, expenses and obligations recognised therein. These estimations basically refer to the following:

- Impairment of investments in group companies and associates

An analysis of the impairment of investments in group companies and associates implies an analysis of the recoverable amount of these investments, which is the higher of an asset's fair value less costs to sell and the present value of cash flows expected to be received. To calculate this recoverable amount cash flow projections based on past results and expectations on the performance of each of the markets are used (see note 3 g x). The calculation of the recoverable amount implies the use of estimations by Management. Key assumptions to determine the fair value less costs to sell and value in use include growth rates, yield, discount rate and tax rates. The estimations, including the methodology used, could have a significant impact on impairment and impairment loss.

- Fair value of financial instruments and certain unquoted assets (see notes 3e & 3g)

- Fair value of the Company's commitment with the management team regarding investment in share capital (see note 24 & 25)..

- Justification for classifying dividend income and impairment losses for non-current assets as results from operating activities and interest passed on to subsidiaries as net finance income (see note 3 g) vii and note 21).

- Changes in estimation

In addition, although estimates are calculated by the Company's directors based on the best estimate available at 31 December 2011 and 2010, future events may take place requiring these estimates to be modified in subsequent years. The effect on the annual accounts of modifications which, where applicable, result from adjustments to be made in subsequent years are recognised prospectively.

3. Significant Accounting Policies

The annual accounts at 31 December 2009 have been prepared in accordance with the accounting principles and measurement standards set out in the Spanish General Chart of Accounts approved by Royal Decree 1514/2007.

A summary of the most significant accounting policies is as follows:

a) Business combinations

The Company carried out a merger of a business with another group company during 2010. The equity items acquired have been measured at the amount recognised in the consolidated annual

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accounts for these items. The difference arising in the accounting records has been recognised in reserves.

b) Foreign currency transactions and balances

Foreign currency transactions have been translated into Euros using the exchange rate prevailing at the transaction date.

Monetary assets and liabilities denominated in foreign currencies have been translated into Euros at the closing rate, while non-monetary assets and liabilities measured at historical cost have been translated at the exchange rate prevailing at the transaction date.

In the statement of cash flows, foreign currency transaction cash flows have been translated into Euros at the exchange rates at the dates the cash flows occur.

c) Intangible assets

Intangible assets are measured at cost or cost of production, which comprises the cost of the asset and costs directly related to the units of production and systematic allocation of indirect, fixed and variable indirect costs that are incurred in converting intangible assets.

Production costs are capitalised under self-constructed assets. Intangible assets are carried at cost, less any accumulated amortisation and accumulated impairment losses.

Subsequent costs incurred on intangible assets are recognised as an expense, except where they increase the future economic benefits expected to be generated by the assets.

i. Computer software (acquired and developed by the Company)

Computer software acquired is measured at cost. Computer software developed by the Company is recognised when it meets the conditions for consideration as development costs.

- The costs of each project are clearly allocated, expensed and distributed on a timely basis.
- Sound grounds exist for the technical success and financial and commercial profitability of each project.

Computer software maintenance costs are charged as expenses when incurred.

ii. Research and development

Research and development expenses related with research activities are recognised when incurred.

Expenditure on development activities is capitalised to the extent that:

- The costs of each project are clearly allocated, expensed and distributed on a timely basis.
- Sound grounds exist for the technical success and financial and commercial profitability of each project.

Development expenditure is reclassified under patents, licences, trademarks and similar rights at the date of inscription in the corresponding public registry.

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iii. Useful life and amortisations rates

The Company assesses whether the useful life of each intangible asset acquired is finite or indefinite. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset will generate net cash inflows.

Intangible assets with finite useful lives are amortised by allocating the depreciable amount of an asset on a systematic basis over its useful life, by applying the following criteria:

	Criteria	Estimated useful life (years)
Development	Straight-line	4
Patents and trademarks	Straight-line	5-10
Computer software	Straight-line	3-5

iv. Impairment losses

The Company measures and determines impairment valuation allowances to be recognised or reversed based on the criteria in the section on property, plant and equipment.

d) **Property, plant and equipment**i) Inicial recognition

Property, plant and equipment are measured at cost of acquisition or production. The production cost comprises the purchase price of the asset, other consumables and costs directly related to the unit of production and systematic allocation of indirect, variable and fixed costs incurred during the production process. Capitalised production costs are recognised as work carried out by the Company for assets in the income statement. eEProperty, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment valuation allowances.

ii) Depreciation

Property, plant and equipment are depreciated by allocating the depreciable amount of an asset on a systematic basis over its useful life. The depreciable amount is the cost of an asset, less its residual value

Property, plant and equipment are depreciated using the following criteria

	Método de amortización	Años de vida útil estimada
Other installations, equipments and furniture	Straight-line	5-12,5
Motor vehicles	Straight-line	6,25
Other fixed assets	Straight-line	4

The Company reviews residual values, useful lives and depreciation methods at each financial year end. Changes to initially established criteria are accounted for as a change in accounting estimates

iii) Subsequent costs

Subsequent to initial recognition of the asset, only the costs incurred which increase capacity or productivity or which lengthen the useful life of the asset are capitalised. The carrying amount of parts that are replaced is derecognised. Costs of servicing are recognised in profit and loss as incurred.

e) Impairment of non-financial assets subject to amortisation or depreciation

The Company evaluates whether there are indications of possible impairment losses to verify whether the carrying amount of these assets exceeds the fair value, which is the higher of fair value, less costs to sell and value in use. Impairment losses are recognised in profit or loss and are only reversed if there has been a change in the estimates used to calculate the recoverable amount of the asset.

A reversal of an impairment loss is recognised in profit or loss. The increase in the carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. After an impairment loss or reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the asset is adjusted in future periods based on its new carrying amount.

f) Leases**i. Lessee accounting records**

The Company has rights to use certain assets through lease contracts.

Leases in which the Company assumes substantially all the risks and rewards incidental to ownership are classified as finance leases, otherwise they are classified as operating leases.

- Operating leases

Lease payments under an operating lease, net of incentives received, are recognised as an expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the lease's benefit.

Contingent rents are recognised as an expense when it is probable that they will be incurred

g) Financial instruments**i. Classification and separation of financial instruments**

Financial instruments are classified on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

For the purpose of measurement, financial instruments are classified as financial assets and financial liabilities held for trading, loans and receivables, debts and payables, investments in equity of group companies, associates and jointly controlled entities, available-for-sale financial assets and financial liabilities. This classification depends on the characteristics of the financial instrument and the purpose for which it was acquired.

Regular way purchases and sales of financial assets are recognised at trade date, when the Company undertakes to purchase or sell the asset.

ii. Offsetting principles

A financial asset and a financial liability can only be offset when the Company has a legally enforceable right to set off the recognised amounts or intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

iii. Financial assets and financial liabilities held for trading

These include derivative financial instruments which have not been designated as hedging instruments.

Equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are not classified in this category

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Financial assets and financial liabilities held for trading are initially recognised at fair value. Transaction costs directly attributable to the acquisition or issue are recognised as an expense when incurred.

After initial recognition they are recognised at fair value through profit and loss. Fair value is not reduced by transaction costs incurred on sale or disposal. Accrual interest and dividends are recognised separately.

iv. Loans and receivables

Loans and receivables comprise trade and non-trade receivables with fixed or determinable payments that are not quoted in an active market other than those classified in other financial asset categories. These assets are recognised initially at fair value, including transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Nevertheless, financial assets which have no established interest rate, which mature or are expected to be received in the short term, and for which the effect of updating is immaterial, are measured at their nominal amount.

v. Investments in equity of group companies, jointly controlled entities and associates

Group companies are those over which the Company, either directly or indirectly, through subsidiaries, exercises control as defined in article 42 of the Spanish Commercial Code, or when the companies are controlled by one or various individuals or entities acting jointly or under the same management through agreements or statutory clauses.

Control is the power to govern the financial and operating policies of an entity or business so as to obtain benefits from its activities, in assessing control potential voting rights held by the Company or other entities that are exercisable or convertible at the end of each reporting period are considered.

Associates are companies over which the Company, either directly or indirectly through subsidiaries, exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The existence and effect of potential voting rights that are exercisable or convertible at the end of each reporting period, including potential voting rights held by the Company or other entities, are considered when assessing whether an entity has significant influence.

Jointly controlled entities are those which are jointly controlled by the Company or one or more group companies, including parent entities or individuals, and one or more third parties.

Investments in group companies, jointly controlled entities and associates are initially recognised at cost, which is equivalent to the fair value of the consideration paid, including transaction costs are subsequently measured at cost net of any accumulated impairment losses.

If an investment no longer qualifies for classification under this category, it is reclassified as available-for-sale and is measured as such from the reclassification date.

The cost of acquisition of investments in group companies acquired prior to 1 January 2010 includes transaction costs.

At least at year end, valuation allowances for impairment losses are made if there is objective evidence that the carrying amount of an investment will not be recovered. The valuation allowance will be equivalent to the difference between the carrying amount and the recoverable amount of the investment, the latter being the higher of its fair value less costs to sell and the present value of estimated future cash flows from the investment, (see section x).

vi. Available-for-sale financial assets

The Company classifies in this category debt securities and equity instruments which do not comply with the requirements for inclusion in the aforementioned categories.

Available-for-sale financial assets are initially recognised at fair value, plus transaction costs directly attributable to the acquisition.

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After initial recognition, financial assets classified in this category are measured at fair value and any gain or loss is reclassified from equity to profit or loss, except for impairment losses. Fair value is not reduced by transaction costs incurred on sale or disposal. On disposal of the financial assets amounts recognised in equity are reclassified to profit or loss as described in section x). However, interest calculated using the effective interest method and dividends are recognised in profit and loss using the policy described in section viii.

vii. Interest and dividends

Interest is recognised using the effective interest method.

Dividends from investments in equity instruments are recognised when the Company is entitled to receive them and are recognised for the net amount of revenues given the Company's activity. If the dividends are clearly derived from profits generated prior to the acquisition date because amounts higher than the profits generated by the investment since acquisition have been distributed, the carrying amount of the investment is reduced.

viii. Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In general, the Company applies the following systematic hierarchy to measure the fair value of financial assets and financial liabilities:

- a. Firstly, the Company applies the quoted prices from the most advantageous active market to which it has immediate access, adjusted as necessary to reflect any difference in credit risk between the instruments usually traded and the one being valued. The bid price is used for an asset held or liability to be issued and the asking price is used for an asset to be acquired or liability held. When the Company has assets and liabilities with offsetting market risks, it may use mid-market prices for the offsetting risk positions and apply the appropriate bid or asking price to the net open position
- b. If market prices are unavailable, the price of recent transactions are used, adapted to current conditions.
- c. Otherwise, the Company applies generally accepted measurement techniques using market data as much as possible and, to a lesser extent, specific Company data.

ix. Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or liability. For financial instruments in which the variable related to the fees, basic points, transaction costs, discounts or premiums, is changed based on market rates prior to the expected maturity, the amortisation period is the term until the following change in conditions.

Effective cash flows are estimated considering all contractual terms of the financial instrument, but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract, such as transaction costs and all other premiums or discounts. In those cases when it is not possible for the Company to estimate reliably the cash flows or the expected life of a financial instrument, it uses the contractual cash flows over the full contractual term.

x. Impairment of financial assets

A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event or events have an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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- Impairment of financial assets carried at amortised cost

The Company recognises valuation allowances for impairment of loans and receivables and debt instruments when a reduction or delay is incurred in the estimated future cash flows, due to debtor insolvency.

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. For variable income financial assets, the effective interest rate is used corresponding to the measurement date under the contractual conditions.

The amount of an impairment loss is recognised in profit and loss and may be reversed in subsequent periods if the decrease can be objectively related to an event occurring after the impairment has been recognised. Nevertheless, the reversal may not result in a carrying amount that would exceed what the amortised cost would have been had the impairment not been recognised.

- Investments in group companies, associates and jointly controlled entities and equity instruments are carried at cost.

An asset is impaired when its carrying amount exceeds its recoverable amount, the latter of which is understood as the higher of the asset's value in use or fair value less costs to sell.

Value in use is calculated based on the Company's share of the present value of future cash flows expected to be derived from ordinary activities and from the disposal of the asset, or the estimated cash flow expected to be received from the distribution of dividends and the final disposal of the investment.

Nonetheless, and in certain cases, unless there is better evidence of the recoverable amount of the investment, when estimating the impairment of these types of assets, the investee's equity is taken into consideration, adjusted, where appropriate, to generally accepted accounting principles in Spain, corrected for latent unrecorded goodwill existing at the measurement date.

In subsequent years, reversals in impairment losses in the form of increases in the recoverable amount are recognised, up to the limit of the carrying amount that would have been determined for the investment if no impairment loss had been recognised.

The impairment loss or reversal is recognised in profit and loss.

The impairment allowance for an investment is limited to the amount of the investment, except when contractual, legal or implicit obligations have been assumed by the Company or payments have been made on behalf of the companies. In the latter case, provision is made.

- Impairment of available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset at fair value through profit or loss has been recognised in recognised income and expense and there is objective evidence that the asset is impaired, the cumulative loss is reclassified from equity to profit or loss, even though the financial asset has not been derecognised. The amount of the cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost or amortised cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

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Available-for-sale equity instruments are impaired the carrying amount of the asset cannot be recovered due to a significant or prolonged decline in its fair value. The Company considers that equity instruments are impaired when their fair value has declined over a period of one and a half years, equivalent to forty percent of their listed price and when they have not been recovered.

Impairment losses for investments in equity instruments are not reversed through profit or loss. Increases in the fair value after the impairment loss was recognised are classified in equity.

If the fair value of debt instruments increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the increase is recognised in profit and loss up to the amount of the previously recognised impairment loss and any excess is accounted for in recognised income and expense.

h) Derivatives and hedge accounting

The Company uses derivative financial instruments to hedge interest rate and currency risks arising from its activity. In accordance with Fluidra Group cash policies, the Company does not purchase or hold derivative financial instruments for the purposes of trading. However, derivative financial instruments that do not qualify for hedge accounting are recognised as trading instruments.

Derivative financial instruments are initially measured at fair value, plus any transaction costs that are directly attributable to the acquisition, or less any transaction. However, transaction costs are subsequently taken to profit or loss, providing they do not form part of the effective variation of the hedge.

Derivative financial instruments which qualify for hedge accounting are initially measured at fair value, plus any transaction costs that are directly attributable to the acquisition, or less any transaction costs directly attributable to the issue of the financial instruments.

At the inception of the hedge the Company formally designates and documents the hedging relationships and the objective and strategy for undertaking the hedges. Hedge accounting is only applicable when the hedge is expected to be highly effective at the inception of the hedge and in subsequent years in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, throughout the period for which the hedge was designated (prospective analysis) and the actual effectiveness, which can be reliably measured, is within a range of 80%-125% (retrospective analysis).

For cash flow hedges of forecast transactions, the Company assesses whether these transactions are highly probable and if they present an exposure to variations in cash flows that could ultimately affect profit or loss.

- Cash flow hedges

The Company recognises the portion of the gain or loss on the measurement at fair value of a hedging instrument that is determined to be an effective hedge in recognised income and expense. The ineffective portion and the specific component of the gain or loss or cash flows on the hedging instrument, excluding the measurement of the hedge effectiveness, are recognised under change in fair value of financial instruments.

The separate component of equity associated with the hedged item is adjusted to the lesser of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in fair value or present value of the expected future cash flows on the hedged item from inception of the hedge. However, if the Company expects that all or a portion of a loss recognised in equity will not be recovered in one or more future periods, it reclassifies into change in fair value of financial instruments the amount that is not expected to be recovered.

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If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in equity are reclassified from equity to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss and under the same caption of the income statement.

i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits with financial institutions. They also include other short-term highly-liquid investments that are readily convertible into cash with original maturities of less than three months.

The Company recognises cash payments and receipts for financial assets and financial liabilities in which turnover is quick on a net basis in the statement of cash flows. Turnover is considered to be quick when the period between the date of acquisition and maturity does not exceed six months.

The Group classifies cash flows relating to interest received and paid as operating activities. Dividends paid by the Company are classified as financing activities.

j) Grants, donations and legacies

Grants, donations and legacies are recognised in recognised income and expense when, where applicable, they have been officially awarded and the conditions attaching to them have been complied with or there is reasonable assurance that they will be received.

Financial liabilities comprising implicit assistance in the form of below market interest rates are initially recognised at fair value. The difference between this value, adjusted where necessary for the issue costs of the financial liability and the amount received, is recognised as a government grant based on the nature of the grant awarded.

k) Own equity instruments

Equity instruments acquired by the Company are shown separately at cost of acquisition as a reduction in capital and reserves in the balance sheet. Any gains or losses on transactions with own equity instruments are not recognised in profit or loss.

Transaction costs related to own equity instruments, including issue costs related to a business combination, are accounted for as a deduction from reserves, net of any tax effect.

Dividends relating to equity instruments are recognised as a reduction in equity when approved by the shareholders.

l) Classification of assets and liabilities as current and non-current

The Company classifies assets and liabilities in the balance sheet as current and non-current. Current assets and liabilities are determined as follows:

- Assets are classified as current when they are expected to be realised or are intended for sale or consumption in the Company's normal operating cycle, they are held primarily for the purpose of trading, they are expected to be realised within twelve months after the reporting period or are cash or a cash equivalent, unless the assets are restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- Liabilities are classified as current when they are expected to be settled in the Company's normal operating cycle, they are held primarily for the purpose of trading, they are due to be settled within twelve months after the reporting period or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- Financial liabilities are classified as current when they are due to be settled within twelve months after the reporting period, even if the original term was for a period longer than twelve months, and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorised for issue.
- Deferred tax assets and liabilities are recognised on the balance sheet under non-current assets or liabilities, irrespective of the date of realisation or settlement

m) Compensation for termination of employment

Except in the case of justifiable cause, the Company is liable to pay indemnities to employees whose services are discontinued. Termination benefits are recognised as a liability when the Company has a detailed formal plan for the termination and there is a valid expectation among the affected employees that termination will arise either because the plan has already started to be implemented or because its main characteristics have been published.

Termination benefits for voluntary redundancy are recognised when an offer has been made and the Company is without realistic possibility of withdrawal and are measured based on the number of employees expected to accept the offer.

n) Obligations con personnel

As agreed with management, in the case of permanent disability a percentage of the salary earned previously is paid on an annual basis until death. At 31 December 2011 and 2010 there is no related liability as this commitment has been externalised.

o) Share-based payment transactions

The Company recognises services received from employees in a share-based payment transaction as a personnel expense when they are received and recognises a corresponding increase in equity if the services are received in an equity-settled share-based payment transaction or a related liability if services are received in a cash-settled share-based payment transaction.

The Company recognises equity-settled share-based payment transactions, including capital increases through non-monetary contributions, and the corresponding increase in equity, at the fair value of the goods or services received, unless that fair value cannot be reliably estimated, in which case the value is determined by reference to the fair value of the equity instruments granted.

Equity instruments granted as consideration for services rendered by Company employees or third parties which supply similar services are measured by reference to the fair value of the equity instruments granted.

p) Revenue from the rendering of services

Revenue from services rendered is measured at the fair value of the consideration received or receivable. Volume rebates, prompt payment and any other discounts, as well as the interest added to the nominal amount of the consideration, are recognised as a reduction therein.

However, the Company includes interest incorporated in trade balances maturing in less than a year that do not have a contractual rate of interest, when the effect of not discounting future receipts is immaterial.

Discounts granted to customers are recognised as a reduction in sales revenue when it is probable that the discount conditions will be met.

i. Rendering of services

Revenues associated with the rendering of service transactions are recognised when the amount can be reliably estimated and it is probable that the economic benefits derived from the transaction will flow to the Company.

q) Income tax expense

The income tax expense and tax income for the year comprises current tax and deferred tax.

Current tax assets or liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

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Current and deferred tax are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity, or a business combination.

Government assistance that is provided in the form of deductions and benefits in determining taxable income that has the consideration of government grants is recognised as a reduction in the income tax expense in the year in which it is accrued.

In conjunction with certain Group companies, the Company files consolidated tax returns, with Fluidra, S.A. being the Parent of this tax consolidated group and responsible for filing the corresponding tax returns with the Spanish taxation authorities (see note 26).

The accrued income tax expense for the companies forming the consolidated tax group is determined taking into account, in addition to the factors to consider in the case of individual taxation set out previously, the following:

- Temporary and permanent differences arising from the elimination of profits and losses on operations between Group companies, derived from the process of determining consolidated taxable income.
- Deductions and credits that correspond to each company forming the consolidated tax group; for these purposes, deductions and credits are allocated to the company that carried out the activity or obtained the profit necessary to obtain the right to the deduction or tax credit.

Temporary differences arising from the elimination of profits and losses on transactions between companies of the tax group are recognised by the company that generates the profit or loss, using the applicable tax rate.

A reciprocal credit and debit arises between the companies that contribute tax losses to the consolidated Group and the rest of the companies that offset those losses. Where a tax loss cannot be offset by the other consolidated Group companies, these tax credits for loss carryforwards are recognised as deferred tax assets under respective recognition criteria, considering the tax group as a taxable entity.

The parent company of the Group recognises the total consolidated income tax payable (recoverable) with a charge (debit) to receivables (payables) with group companies and associates.

The amount of the debt relating to the subsidiaries is recognised with a debit (credit) to payables with Group companies.

Recognition of taxable temporary differences

Taxable temporary differences are recognised in all cases, unless:

- They arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit/tax loss;

Recognition of deductible temporary differences

Deductible temporary differences are recognised to the extent that:

- It is probable that future taxable profit will be available against which the deductible temporary difference can be utilised, unless the differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit/tax loss;

Tax planning opportunities are only considered on evaluation of the recoverability of deferred tax assets and if the Company intends to use these opportunities or it is probable that they will be used.

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Measurement

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the years when the asset is realised or the liability is settled, based on tax rates and tax laws that are prevailing or have been approved or pending publication by the balance sheet date and reflecting the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets or liabilities.

r) Transactions between group companies

The transactions between group companies, are recognised by the fair value of the counterpart given or received. The difference between this value and the agreed one is registered according to its economical substance.

4. Business combinations

During 2010 the Company merged with Fluidra Services, S.A.U. (the absorbed company). This Company also had its registered offices in Avenida Francesc Macià, no. 60, planta 20, Sabadell (Barcelona) and its principal activity was the rendering of administrative, legal advisory, tax, financial, management, personnel training and IT services. The merger operation was performed to unify administration management, thereby avoiding the duplication of accounting, administrative and tax obligations and saving on financial and administrative costs.

The Company's directors prepared and approved a merger project dated 26 April 2010, which was duly inscribed in the Barcelona Mercantile Registry on 18 October 2010. No capital increase or share exchange in the absorbing company was required as a result of the takeover merger. For accounting purposes 1 January 2010 has been considered the acquisition date.

The acquired business incurred a net loss for the year of Euros 1,457 thousand for the Company during the period between the acquisition date and 30 September 2010. No information is available subsequent to that date on the respective businesses individually.

The merger was performed under the special tax regime established in chapter VIII of the Royal Decree Law 4/2004, approving the Revised Spanish Income Tax Law.

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Notes to the Annual Accounts

The assets of the acquired business at the acquisition date and their carrying amounts are as follows:

	<u>Thousands of Euros 2010</u>
Intangible assets (see note 5)	664
Plant, machinery, furniture and other property, plant and equipment (see note 6)	1,850
Other financial assets	96
Deferred tax assets	198
Trade and other receivables	759
Adjustments for prepayments	88
Current investments in group companies, associates or jointly-controlled entities	342
Cash and cash equivalents	<u>18</u>
Total assets	4,015
Loans and borrowings	867
Group companies and associates - current	2,210
Trade and other payables	1,713
Total liabilities and contingent liabilities	4,790
Total net assets	<u>(775)</u>
Elimination of provisions	<u>65</u>
Effect in equity	<u>(710)</u>

5. Intangible assets

Details of intangible assets and movement during 2010 and 2011 are as follows:

Thousands of Euros					
	Balances at		Business		Balances at
	31/12/2009	Additions	Comb. (note 4)	Disposals	31/12/2010
<i>Cost</i>					
Development	-	225	-	-	225
Patents, licences, trademarks and similar	213	19	-	-	232
Software	-	223	664	-	887
	213	467	664	-	1,344
<i>Accumulated amortisation</i>					
Development	-	(28)	-	-	(28)
Patents, licences, trademarks and similar	(43)	(33)	-	-	(76)
Software	-	(254)	-	-	(254)
	(43)	(315)	-	-	(358)
Carrying amount	170	152	664	-	986

Thousand of Euros					
	Balances at			Balances at	
	31/12/2010	Additions	Disposals	Transfers	31/12/2011
<i>Cost</i>					
Development	225	170		-	395
Patents, licences, trademarks and similar	232	100		-	332
Software	887	1,085		(12)	1,960
	1,344	1,355		(12)	2,687
<i>Accumulated amortisation</i>					
Development	(28)	(78)		-	(106)
Patents, licences, trademarks and similar	(76)	(33)		-	(109)
Software	(254)	(278)		-	(532)
	(358)	(389)		-	(747)
Carrying amount	986	966		(12)	1,940

(Nota 6)

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(a) Development

Addition during the period related to one project to develop an equipment for water treatment.

The capitalised costs comprise the external costs for developing the mentioned projects and the costs for Company personnel involved in the projects, which are capitalised under self-constructed assets.

(b) Patents, licences, trademarks and similar

Additions during the period are mainly related to exclusive rights on the Fluidra trademark in different countries.

(c) Software

Additions during the period related to various projects to improve the accounting and sales management systems, the most significant of which was the Galileo project (accounting management).

Specifically, the capitalised costs comprise the cost of purchasing computer software licences, external costs for developing this computer software and the costs for Company personnel involved in the projects, which are capitalised under self-constructed assets.

(d) Fully-amortised assets

The cost of fully amortised intangible assets in use at 31 December is as follows :

	Thounsand of Euros	
	2011	2010
Trademarks	3	3
Software	813	528
	<u>816</u>	<u>531</u>

6. Property, Plant and Equipment

Details of property, plant and equipment and movement during 2009 and 2010 are as follows:

	Thousand of Euros				
	Balances at	Additions	Business Comb. (nota 4)	Disposals	Balances at
	31/12/2009				31/12/2010
Other installations, equipment and furniture	-	9	1,006	-	1,015
Motor vehicles	124	-	-	-	124
Other fixed assets	-	122	844	(3)	963
	<u>124</u>	<u>131</u>	<u>1,850</u>	<u>(3)</u>	<u>2,102</u>
<i>Accumulated amortisation</i>					
Other installations, equipment and furniture	-	(244)	-	-	(244)
Motor vehicles	(63)	(20)	-	-	(83)
Other fixed assets	-	(291)	-	-	(291)
	<u>(63)</u>	<u>(555)</u>	<u>-</u>	<u>-</u>	<u>(618)</u>
Carrying amount	<u>61</u>	<u>(424)</u>	<u>1,850</u>	<u>(3)</u>	<u>1,484</u>

	Thousand of Euros				
	Balances at 31/12/2010	Additions	Disposals	Transfers	Balances at 31/12/2011
<i>Cost</i>					
Other installations, equipments and furniture	1,015	35	-	(2)	1,048
Motor vehicles	124	-	-	-	124
Other fixed assets	<u>963</u>	<u>527</u>	<u>(7)</u>	<u>14</u>	<u>1,497</u>
	<u>2,102</u>	<u>562</u>	<u>(7)</u>	<u>12</u>	<u>2,669</u>
<i>Accumulated amortisation</i>					
Other installations, equipments and furniture	(244)	(226)	-	-	(470)
Motor vehicles	(83)	(20)	-	-	(103)
Other fixed assets	<u>(291)</u>	<u>(348)</u>	<u>7</u>	<u>-</u>	<u>(632)</u>
	<u>(618)</u>	<u>(594)</u>	<u>7</u>	<u>-</u>	<u>(1,205)</u>
Carrying amount	<u>1,484</u>	<u>(32)</u>	<u>-</u>	<u>12</u>	<u>1,464</u>

(Note 5)

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Notes to the Annual Accounts

a) Fully-amortised assets

The cost of fully amortised property, plant and equipment assets in use at 31 December is as follows:

	Thousand of Euros	
	2011	2010
Other installations, equipments and furniture	122	73
Other fixed assets	1,126	691
	<u>1,248</u>	<u>764</u>

(b) Insurance

The Company has contracted various insurance policies to cover the risk of damage to its property, plant and equipment. The Company considers that these policies are sufficient to cover risks relating to property, plant and equipment

7. Operating Leases - Lessee

The Company has contracted various floors in office buildings as well as parking spaces, vehicles and other assets under operating leases from third parties.

The most significant lease contracts are as follows:

- Offices in calle Lluís Companys, no. 51-53, Granollers (Barcelona), the lease on which expires in 2012.
- Floor twenty of the building in Avenida Francesc Macià, no. 60, Sabadell (Barcelona), the lease on which expires in 2012.
- Offices in calle Ametllers, 6, Polinyà (Barcelona), the lease on which expires in 2014.
- Operating lease payments have been recognised as an expense for the year as follows:

	Thousands of Euros	
	2011	2010
Office and car park leases	375	345
Vehicle leases	69	50
Other leases	38	26
	<u>482</u>	<u>421</u>

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Future minimum payments under non-cancellable operating leases are as follows:

	<u>Thousands of Euros</u>	
	<u>2011</u>	<u>2010</u>
Up to 1 year	437	305
Between 1 and 5 years	203	222
	<u>640</u>	<u>527</u>

8. Investments in group companies and associates

Non-current

Movement in non-current investments in equity instruments of group companies and associates during 2010 and 2011 are as follows

	<u>Thousand of Euros</u>			
	<u>Balances at 31/12/2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances at 31/12/2010</u>
Investments in group companies and associates	252,343	21,933	(1,081)	273,195
Impairment valuation allowances	(4,380)	(3)	1,081	(3,302)
Carrying amount	<u>247,963</u>	<u>21,930</u>	<u>-</u>	<u>269,893</u>

	<u>Thousand of Euros</u>			
	<u>Balances at 31/12/2010</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances at 31/12/2011</u>
Investments in group companies and associates	273,195	35,231	-	308,426
Impairment valuation allowances	(3,302)	(231)	-	(3,533)
Carrying amount	<u>269,893</u>	<u>35,000</u>	<u>-</u>	<u>304,893</u>

a) Investments in group companies and associates

Information relating to investments in Group companies and associates is provided in Appendix I.

The Company has increased share capital in its subsidiary Fluidra Industry, S.A.U. by an amount of

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Euros 35,000 thousand for the financing of US Pool Holdings, Inc and P.S.I. Pool Services Israel, Ltd acquisitions and made a contribution of Euros 231 thousand to offset losses in its subsidiary Fluidra Services España, S.L.U. This additional investment became fully impaired during 2011.

In accordance with article 13.1 of the revised Spanish Companies Act the Group companies which are solely-owned companies have been entered as such into the Mercantile Registry

None of the Group companies in which the Company invests are listed on the stock exchange.

The additions of 2010 were mainly related to a transfer of cash made at the end of 2010 to her subsidiary company Fluidra Services France, S.A.S. (before named Fluidra France, S.A.S.) of Euro 21,183 (see note 10).

The disposals of 2010 were because of the merger with Fluidra Services, S.A.U. (see note 4).

The recoverable amount of the groups and companies in which the Company holds interest has been estimated as the present value of the Company's interest in the cash flows which are expected to be generated by these groups and companies from ordinary activities. The present value of the cash flows has been mainly calculated based on the business plan for the next four years for these entities, at an estimated growth rate of 2% for the extrapolation of cash flows beyond the four-year period and after tax rates ranging between 10% and 12% and before tax rates of 14% and 16% according to the subsidiary and which reflect specific related risks

Current

Details of current investments in group companies and associates at 31 December 201 and 2010 are as follows:

	Thousand of Euros	
	Balances at 31/12/2011	Balances at 31/12/2010
Receivables from Group companies with which the Company files consolidated tax returns	7,578	7,635
Receivables from Group companies due to cash pooling	95,594	136,691
	<u>103,172</u>	<u>144,326</u>

In conjunction with certain Group companies, the Company files consolidated tax returns, with Fluidra, S.A. being the Parent of this tax consolidated group and responsible for filing the corresponding tax returns with the Spanish taxation authorities (see note 26).

Receivables from the different Group companies subject to the tax consolidation regime are recognised under receivables from consolidated group companies.

Details by company of the receivables between group companies as a result of the tax effect generated by the consolidated tax regime are as follows:

	Thousand of Euros	Thousand of Euros
	Balances at 31/12/2011	Balances at 31/12/2010
Receivables		
Sacopa, S.A.U.	2,119	2,251
Cepex, S.A.U.	1,878	1,714
Metalast, S.A.U	1,086	1,310
Fluidra Export, S.A. (antes denominada Astral Export, S.A.)	601	556
Poltank, S.A.U.	387	382
Industrias Mecánicas Lago, S.A.U.	427	346
Rest	1,080	1,076
	<u>7,578</u>	<u>7,635</u>

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The Company is also the head of the centralised credit facilities for cash pooling for the Group, reflecting the total payable to banks under loans and borrowings. Receivables from and payables to the different Group companies forming part of the cash pooling accounts are recognised under payables to/receivables from Group companies due to cash pooling.

Receivables due to cash pooling include a US dollar balance outstanding at 31 December 2011 amounting to Euros 2,321 thousand of Euros (4,469 thousand at 31 December 2010).

9. Non-current investments

Details of non-current investments and movement during 2011 and 2010 are as follows:

	Thousand of Euros				Balances at 31/12/2011
	Balances at 31/12/2010	Additions	Disposals	Transfers	
Derivative financial instruments (see note 17)	6	-	(6)	-	-
Equity instruments	500	-	-	-	500
<i>Other financial assets</i>					
Other financial assets (see note 26)	1,459	1	-	(14)	1,446
Credit with Group companies	315	50	-	14	379
	2,280	51	(6)	-	2,325
<i>Impairment valuation allowances</i>					
Equity instruments	(297)	(48)	-	-	(345)
Carrying amount	<u>1,983</u>	<u>3</u>	<u>(6)</u>	<u>-</u>	<u>1,980</u>

	Thousand of Euros			Balances at 31/12/2010
	Balances at 31/12/2009	Additions	Disposals	
Derivative financial instruments (see note 17)	-	6	-	6
Equity instruments	500	-	-	500
<i>Other financial assets</i>				
Other financial assets (see note 26)	1,365	94	-	1,459
Credit with Group companies	265	50	-	315
	2,130	150	-	2,280
<i>Impairment valuation allowances</i>				
Equity instruments	(242)	(55)	-	(297)
Carrying amount	<u>1,888</u>	<u>95</u>	<u>-</u>	<u>1,983</u>

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Equity instruments are classified under the category of available-for-sale financial assets, whilst other financial assets, current investments in group companies and associates (see note 8) and trade and other receivables are classified under loans and receivables (see note 10). There are no significant differences between the fair values and carrying amounts of these categories.

10. Trade and other receivables

This balance sheet caption at 31 December 2011 and 2010 is as follows:

Thousand of Euros	
Balances at 31/12/2011	Balances at 31/12/2010
Receivables, group companies	790
Other receivables	126
Current tax asset (see note 26)	830
Public entities	115
	-
1.861	1.904

11. Current Investments

This balance sheet caption at 31 December 2011 and 2010 is as follows:

Thousand of Euros	
Balances at 31/12/2011	Balances at 31/12/2010
Derivative financial instruments	266
Short-term deposits	20,161
Short-term credit	400
	267
20,827	6,406

During 2011, the Company continues making short-term deposits in Banks, including in this caption the ones with a maturity over three months. In addition, there is included a credit with the Centro para el Desarrollo Tecnológico Industrial (CDTI) of 267 thousands of euros and a credit with the financial intermediary in charge of the treasury shares of 133 thousand of euros.

12. Prepayments

This balance sheet caption at 31 December 2011 and 2010 is as follows:

Thousand of Euros	
Balances at 31/12/2011	Balances at 31/12/2010
Other prepayments	165
	249
165	249

These payments are mainly related to maintenance expenses of software.

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13 Cash and Cash Equivalents

This balance sheet caption at 31 December 2011 and 2010 is as follows:

	Thousand of Euros	
	Balances at 31/12/2011	Balances at 31/12/2010
Cash and banks	28,937	1,506
Short-term deposits	-	53,530
	<u>28,937</u>	<u>55,036</u>

The Company has not made during 2011 investments that implied cash and cash equivalents payments.: In 2010 the Company acquired intangible assets by 468 thousands of euros financed with a debt of 344 thousands of euros

14. Equity**a) Share capital**

At 31 December 2011 the share capital of Fluidra, S.A. is represented by 112,629,070 ordinary shares of Euro 1 par value each, fully paid. These shares are represented by book entries and are recognised as such in the corresponding accounting register. All shares have the same voting and profit-sharing rights.

On 31 October 2007 the Company completed its flotation on the Spanish stock exchange. This process was carried out through a public share offering of 44,082,943 ordinary shares, of Euro 1 par value each, listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges.

The Company only knows the identity of its shareholders from the information that they send to the Company voluntarily or in compliance with applicable legislation. Based on the information available to the Company, the structure of the most significant ownership at 31 December 2011 and 2010 is as follows:

Percentage ownership	31.12.2011	31.12.2010
Boyser, S.R.L.	14.12%	14.12%
Edrem, S.L.	13.50%	13.50%
Dispur, S.L.	12.18%	12.14%
Bansabadell Inversió Desenvolupament, S.A.	9.67%	9.67%
Aniol, S.L.	10.06%	9.06%
Grupo Corporativo Empres. Caja de Navarra	8.00%	8.00%
Cartera Industrial REA, S.A.	4.44%	-%
Bestinver Gestión, S.A. SGIIC	-%	4.72%
Otros accionistas	28.03%	28.79%
	<u>100.00%</u>	<u>100.00%</u>

FLUIDRA, S.A.

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b) Prima de emisión de acciones

This reserve is freely distributable.

c) Reserves

Details of this balance sheet caption are as follows:

	Thousand of Euros	
	Balances at 31/12/2011	Balances at 31/12/2010
Legal reserve	10,385	10,385
Voluntary reserves	28,973	42,533
	<u>39,358</u>	<u>52,918</u>

i) Legal reserve

In accordance with the revised text of the Spanish Companies Act, 10% of the profits for the year should be taken to a legal reserve until such a reserve reaches an amount equal to at least 20% of the share capital.

The legal reserve may be used to increase share capital provided that the balance left on the reserve is at least equal to 10% of the nominal value of the total share capital after the increase. Other than for the aforementioned purpose, provided that this reserve does not exceed 20% of share capital, it can be used to offset losses if no other reserves are available.

ii) Voluntary reserves

At 31 December 2011, the Parent's voluntary reserves, amounting to Euros 28,973 thousand (Euros 42,533 thousand at 31 December 2010), as well as the share premium and profit for the year are freely distributable, but are subject to legal limitations regarding distribution.

During 2010 the Company merged with Fluidra Services S.A.U. in accordance with the merger project prepared and approved by the Company's directors on 26 April 2010 (see note 4). This operation resulted in a negative reserve of Euros 710 thousand.

d) Dividends

At an ordinary general meeting held on 2 June 2010 the board of directors agreed to propose to the shareholders that dividends of Euros 4,000 thousand be distributed with a charge to results for 2009.

At an ordinary general meeting held on 28 March 2010 the board of directors agreed to propose to the shareholders that dividends of Euros 8,000 thousand be distributed with a charge to reserves for 2010.

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e) Treasury shares

Movement in treasury shares during 2011 and 2010 has been as follows:

	Euros		
	Number	Par value	Average cost of acquisition / disposals
Balances at 01.01.10	1,627,553	1,627,553	3.3735
Acquisitions	980,289	980,289	2.6073
Disposals	(3,000)	(3,000)	2.2345
Balances at 31.12.10	<u>2,604,842</u>	<u>2,604,842</u>	<u>3.0854</u>
Acquisitions	666,147	666,147	2.4176
Disposals	(418,661)	(418,661)	(2.7387)
Balances at 31.12.11	<u>2,852,328</u>	<u>2,852,328</u>	<u>2.9337</u>

At the board of directors' meeting held on 16 December 2010 the directors agreed to authorize the managing director, when considered appropriate, to negotiate and sign a liquidity contract on Fluidra shares with a credit entity, in the terms that he consider advisable for the Group. This contract was finally signed on 22 February 2011.

Pursuant to article 146 and concurrent articles of the Spanish Companies Act, at the annual general meeting held on 8 June 2011 the shareholders of Fluidra, S.A. authorised the Company to make derivative acquisitions of treasury shares, directly or through group companies, with the express purpose of reducing share capital so as to redeem treasury shares. The board of directors was delegated the powers required to carry out the resolutions adopted by shareholders in this respect (thereby rendering the prior authorisation ineffective) and was authorised to use the treasury share portfolio to execute or cover remuneration schemes, if necessary.

The timing limit and maximum percentage of treasury shares is in line with legal maximum limits.

There is not own shares held by the group companies.

f) Valuation adjustments

This caption includes the gains or losses on the measurement at fair value of the hedging instrument that is determined to be an effective hedge, net of the tax effect.

g) Proposed distribution of profit

The proposed distribution of for 2011 and 2010 is as follows:

	Euros	
	31/12/2011	31/12/2010
Basis of allocation:		
Profit for the year	2,205,446.49	-5,571,634.52
Distribution:		
Legal reserve	220,544.65	-
Voluntary reserves	1,984,901.84	-5,571,634.52
Negative results of previous years	-	-
Dividends	-	-
	<u>2,205,446.49</u>	<u>-5,571,634.52</u>

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Likewise, in accordance with the decision made by the shareholders in an ordinary general meeting held on 8 June 2011, the Company approved the distribution to shareholders of a dividend totalling Euros 8,000 thousand and distributed against voluntary reserves.

15. Grants, Donations and Legacies Received

Details of the amounts recognised by type of grant are as follows ::

	Thousand of Euros	
	Balances at 31/12/2011	Balances at 31/12/2010
Other grants, donations and legacies received	84	103
	<u>84</u>	<u>103</u>

It includes the non-returnable loan conceded by Centro para el Desarrollo Tecnológico Industrial (CDTI) for financing a project of development (see note 5), as well as the implicit interest granted by this society, net of tax.

16. Current and non-current loans and borrowings

Details of the balance sheet captions are as follows:

	Thousand of Euros	
	Balances at 31/12/2011	Balances at 31/12/2010
Bank loans	41,852	21,989
Credit facilities	<u>37,455</u>	<u>64,635</u>
Total current	79,307	86,624
Bank loans	<u>95,218</u>	<u>59,445</u>
Total non-current	95,218	59,445
Total loans and borrowings	<u>174,525</u>	<u>146,069</u>

All these liabilities are classified in the debts and payables category. There are no significant differences between the carrying amount and fair value of these liabilities.

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The terms of the Company's credit facilities at 31 December 2011 as as follows:

Type	Bank	Date of signature	Maturity date (*)	Limit (thousands of Euros)	Currency	Balance drawn down (thousands of Euros)
Credit facility cash-p.	Banco Sabadell	13/03/2010	13/03/2012	18,000	EUR	12,786
Credit facility cash-p.	BBVA	30/03/2010	30/03/2013	25,000	EUR	6,109
Credit facility cash-p.	Banesto	30/03/2011	30/03/2014	25,000	EUR	5,857
Credit facility cash-p.	Banco Sabadell	28/09/2010	28/09/2013	6,500	USD	503
Credit facility cash-p.	Banesto	30/03/2011	30/03/2014	4,500	USD	1,919
Credit facility cash-p.	HSBC	29/07/2011	29/07/2012	10,000	USD	4,699
Credit facility	Bankinter	20/04/2004	Rev. Anual	3,000	EUR	777
Credit facility multidivisa	Bankinter	20/04/2004	Rev. Anual	5,000	EUR	1,679
Credit facility	Caja Madrid	07/05/2010	07/05/2013	4,000	EUR	1,964
Credit facility	Banco Popular	11/03/2010	11/03/2013	2,000	EUR	1,018
Credit facility	Banca March	22/07/2011	22/07/2014	1,000	EUR	144
TOTAL						<u>37,455</u>

The terms of the Company's credit facilities at 31 December 2010 as as follows:

Type	Bank	Date of signature	Maturity date (*)	Limit (thousands of Euros)	Currency	Balance drawn down (thousands of Euros)
Credit facility cash-p.	Banco Sabadell	13/03/2010	13/03/2013	20,000	EUR	10,018
Credit facility cash-p.	BBVA	30/03/2010	30/03/2013	25,000	EUR	9,377
Credit facility cash-p.	Banesto	02/04/2008	02/04/2011	25,000	EUR	16,731
Credit facility cash-p.	Banco Santander	02/02/2009	02/02/2012	15,000	EUR	1,205
Credit facility cash-p.	La Caixa	31/10/2009	31/10/2011	25,000	EUR	12,135
Credit facility cash-p.	Banco Sabadell	28/09/2010	28/09/2013	6,500	USD	2,750
Credit facility cash-p.	Banesto	30/03/2010	30/03/2013	2,500	USD	975
Credit facility	Bankinter	20/04/2004	Rev. Anual	3,000	EUR	2,187
Credit facility multidivisa	Bankinter	20/04/2004	Rev. Anual	5,000	EUR	4,838
Credit facility	Caja Madrid	07/05/2010	07/05/2013	4,000	EUR	2,161
Credit facility	Banco Popular	11/03/2010	11/03/2013	2,000	EUR	1,154
Credit facility	Caixa Galicia	30/03/2010	31/03/2011	1,500	EUR	1,045
Credit facility	Banco Pastor	07/05/2010	07/05/2013	1,000	EUR	59
TOTAL						<u>64,635</u>

(*) All the credit facilities are renewable on a yearly basis in mutual agreement between the parties.

Credit facilities accrue interest at an average market rate, fixed or linked to Euribor or Libor, with spreads ranging between 1.90 and 3 percentage points (1.20 and 1.85 percentage points in 2010).

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Details of the most significant loans and finance lease operations are as follows:

		Amount due (Thousands of Euros)		
		2011	2010	
1	Loan for nominal amount of Euros 20,000 thousand falling due on 30.06.2016 and with floating interest rate based on Euribor at 3 months, plus a margin of 2.75%, requested for the restructuring of the debt.	Fluidra,S.A.	19,043	-
2	Loan for nominal amount of Euros 11,000 thousand falling due on 23.02.2016 and with floating interest rate based on Euribor at 12 months, plus a margin of 2.75%, requested for the acquisition of Auqatron Inc., Aqua Products Inc. and Aquatron Robotic Systems Ltd.	Fluidra,S.A.	10,120	-
3	Loan for nominal amount of Euros 11,000 thousand falling due on 19.04.2016 and with floating interest rate based on Euribor at 12 months, plus a margin of 3.00%, requested for financing capex.	Fluidra, SA	10,074	-
4	Loan for nominal amount of Euros 11,000 thousand falling due on 14.03.2016 and with floating interest rate based on Euribor at 6 months, plus a margin of 2.75%, requested for financing capex.	Fluidra, SA	10,022	-
5	Loan for nominal amount of Euros 11,000 thousand falling due on 23.02.2016 and with floating interest rate based on Euribor at 12 months, plus a margin of 2.75%, requested for the acquisition of Auqatron Inc., Aqua Products Inc. and Aquatron Robotic Systems Ltd.	Fluidra, SA	10,022	-
6	Loan for a nominal amount of Euros 11,000 thousand falling due on 23.02.2016 and floating interest rate based on Euribor at 12 months plus a 2.75% , requested for the acquisition of Auqatron Inc., Aqua Products Inc. and Aquatron Robotic Systems Ltd.	Fluidra, SA	10,022	-
7	Loan for a nominal amount of Euros 10,000 thousand falling due on 30.03.2015 and fixed interest rate of 4.87%, requested for the restructuring of a current debt to non-current.	Fluidra, SA	8,270	10,000
8	Loan for a nominal amount of Euros 8,000 thousand falling due on 01.10.2015 and floating interest rate based on Euribor at 12 months plus a margin of 3.00%, requested for the restructuring of the debt.	Fluidra, SA	8,000	-
9	Loan for a nominal amount of Euros 10,000 thousand falling due on 30.09.2014 and fixed interest rate of 4.60%, requested for the restructuring of a current debt to non-current.	Fluidra, SA	7,668	10,000
10	Loan for a nominal amount of Euros 10,000 thousand falling due on 29.06.2014 and floating interest rate based on Euribor at 12 months plus a margin of 2.00%, requested for the restructuring of the debt from current to non-current.	Fluidra, SA	6,250	8,750
11	Loan for a nominal amount of Euros 10,000 thousand falling due on 26.02.2013 and floating interest rate based on Euribor at 12 months plus a margin of 1.75%, requested for the restructuring of the debt from current to non-current.	Fluidra, S.A.	5,000	9,000
12	Loan for a nominal amount of Euros 5,000 thousand falling due on 01.12.2014 and floating interest rate based on Euribor at 6 months plus a margin of 3.00%, requested for financing capex.	Fluidra, S.A.	5,000	-
13	Loan for a nominal amount of Euros 5,000 thousand falling due on 26.10.2015 and floating interest rate based on Euribor at 12 months plus a margin of 3.00%, requested for the restructuring of the debt.	Fluidra, S.A.	5,000	-
14	Loan for a nominal amount of Euros 5,000 thousand falling due on 30.03.2015 and fixed interest rate of 4.40%, requested for the restructuring of the debt from current to non-current.	Fluidra, S.A.	4,375	5,000
15	Loan for nominal amount of Euros 5,000 thousand falling due on 25.05.2013 and fixed interest rate of 3.48%, requested for the restructuring of a current debt to non-current.	Fluidra, S.A.	3,782	5,000
16	Loan for a nominal amount of Euros 6,000 thousand falling due on 11.03.2013 and floating interest rate based on Euribor at 3 months plus a margin of 1.40%, requested for the restructuring of a current debt to non-current.	Fluidra, S.A.	3,750	6,000
17	Loan for nominal amount of Euros 4,000 thousand falling due on 25.05.2015 and fixed interest rate of 4.37%, requested for the restructuring of a current debt to non-current.	Fluidra, S.A.	3,537	4,000
18	Loan for a nominal amount of Euros 5,000 thousand falling due on 11.03.2015 and floating interest rate based on Euribor at 1 month plus a margin of 2.00%, requested for the restructuring of a current debt to non-current.	Fluidra, S.A.	3,250	4,250
19	Loan for a nominal amount of Euros 5,000 thousand falling due on 27.08.2012 and floating interest rate based on Euribor at 3 month plus a margin of 1.500%, requested for the restructuring of a current debt to non-current.	Fluidra, S.A.	1,175	2,917

The majority of the finance expenses recognised in the income statement relate to interest on loans and credit facilities.

Clasification by maturity

Non-current maturity dates of loans and borrowings at 31 December 2011 and 2010 are as follows:

Maturity	2011	2010
Up to 1 year	79,307	86,624
2 years	32,352	32,747
3 years	28,104	14,370
4 years	18,958	10,000
5 years	15,576	2,200
More than 5 years	228	128
	<u>174,525</u>	<u>146,069</u>

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a) Payables in foreign currencies

Loans and borrowings include a payable in US Dollars, the outstanding balance of which is Euros 8,746 thousand at 31 December 2011. (Euros 8,563 thousand at 31 December 2010) In 2010 included a payable in Pounds Sterling, the outstanding balance of which was Euros 387 thousand at 31 December 2010, which has been canceled during 2011.

17. Derivative financial instruments

Details of derivative financial instruments are as follows::

		2011			
		Thousand of Euros			
Nominal amount		Fair Value			
		Assets		Liabilities	
		Non- current	Current	Non-current	Current
1) Derivatives held for trading					
a) <i>Exchange rate derivatives</i>					
Foreign currency forwards	4,251	-	266	-	67
Total derivatives traded in OTC markets		-	266	-	67
b) Interest-rate derivatives					
Interest rate swaps	3,750	-	-	58	-
Total derivatives traded in OTC markets		-	-	58	-
Total derivatives held for trading		-	266	58	67
2) Hedging derivatives					
a) <i>Fair value hedges</i>					
Interest rate swaps	34,861	-	-	375	-
Total hedging derivatives		-	-	375	-
Total recognised derivatives		-	266	433	67

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2010				
Nomin al	Thousands of Euros			
	Fair Value			
amount	Assets		Liabilities	
	Non- current	Current	Non- current	Curren t
1) Derivatives held for trading				
a) Exchange rate derivatives				
Foreign currency forwards	4,476	-	48	-
				31
Total derivatives traded in OTC markets		-	48	-
				31
b)) Interest-rate derivatives				
Interest rate swaps	5,000	-	-	94
				-
Interest-rate and currency swaps	1,498	-	-	-
				-
Total derivatives traded in OTC markets		-	-	94
				-
Total derivatives held for trading		-	48	94
				31
2) Hedging derivatives				
Interest rate swaps	26,750	6	-	180
				-
Total hedging derivatives		6	-	180
				-
Total recognised derivatives		6	48	274
				31
	See note 9			

The total change in fair value of hedging derivatives estimated using valuation techniques recognised in equity, as they relate to effective hedging, has been Euros 200 thousand (Euros 142 thousand in 2010).

a) Interest rate swaps

The Company uses fixed interest interest rate swaps without deactivating barriers, with fixed rate values ranging between 1.65% and 2.64% to manage interest rate fluctuation exposure, mainly relating to its bank loans. The inception and maturity dates of derivatives at 31 December 2011 are as follows:

Derivatives held for trading			
Notional amount in thousands of Euros	Start date	End date	Type of derivative
3,750	29/06/2009	29/06/2014	Fixed swap
3,750			

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Hedging derivatives			
Notional amount in thousands of Euros	Start date	End date	Type of derivative
3,750	29/06/2009	30/06/2014	Fixed swap
5,000	03/03/2010	26/02/2013	Fixed swap
3,750	26/03/2010	11/03/2013	Fixed swap
3,250	30/03/2010	11/03/2015	Fixed swap
1,500	30/03/2010	01/04/2013	Fixed swap
8,000	02/08/2011	01/10/2015	Fixed swap
9,611	21/12/2011	19/04/2016	
<u>34,861</u>			

In 2010 the Company used fixed interest rate swaps without deactivating barriers, with fixed rate values ranging between 1.65% and 2.64% to manage interest rate fluctuation exposure, mainly relating to its bank loans. The inception and maturity dates of derivatives at 31 December 2010 are as follows:

Derivatives held for trading			
Notional amount in thousands of Euros	Start date	End date	Type of derivative
1,498	21/11/2006	21/11/2011	CAP Option
5,000	29/06/2009	29/06/2013	Fixed swap
<u>6,498</u>			

Hedging derivatives			
Notional amount in thousands of Euros	Start date	End date	Type of derivative
5,000	29/06/2009	29/06/2013	Fixed swap
9,000	03/03/2010	26/02/2013	Fixed swap
6,000	26/03/2010	11/03/2013	Fixed swap
4,250	30/03/2010	11/03/2015	Fixed swap
2,500	30/03/2010	01/04/2013	
<u>26,750</u>			

A breakdown by notional amount and residual maturity term of swaps existing at balance sheet date is as follows:

	Thousand of Euros	
	2011	2010
Up to one year	-	1.498
Between one and five years	38.611	31.750
	<u>38.611</u>	<u>33.248</u>

Because they are derivatives which cannot be traded on organised markets, the fair value of swaps is calculated using the revised value of the expected cash flows due to the difference in rates, based on market conditions at the measurement date.

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b) Foreign currency forward contracts.

In order to manage its exchange rate exposure in forward outright sale and purchase contracts, the Fluidra Group, through the Company, has entered into purchase and sale forward contracts on the main markets in which it operates. Nevertheless, although these derivative hedge transactions in foreign currency, the Company does not apply hedge accounting due to the difficulty in testing effectiveness as required by the standard.

A breakdown by type of currency, of the notional amounts of forward contracts at 31 December 2011 and 2010, the residual values of which are of less than one year, is as follows:

	Thousand of Euros	
	2011	2010
USD	4,251	4,476
	<u>4,251</u>	<u>4,476</u>

18. Payables to group companies and associates

Details of this balance sheet caption are as follows :

	Thousand of Euros	
	Balances at 31/12/2011	Balances at 31/12/2010
Payables to group companies	209	58
Payables to Group companies with which the Company files consolidated income tax returns (notes 8)	4,552	4,728
Payables to Group companies for cash pooling (note 8)	<u>43,713</u>	<u>82,521</u>
	<u>48,474</u>	<u>87,307</u>

Details by company of payables between group companies as a result of the tax effect generated by the consolidated tax regime for income tax are as follows:

Payables	Thousand of Euros	Thousand of Euros
	Balances at 31/12/2011	Balances at 31/12/2010
Fluidra Industry, S.A.U	1,744	1,033
Fluidra Commercial, S.A.	1,406	1,781
Inquide, S.A.U.	548	831
Fluidra España, S.A.U.	-	460
Togama, S.A.	456	381
Astramatic, S.A.	237	68
Fluidra Services España, S.L.U.	102	99
Resto	<u>59</u>	<u>75</u>
	<u>4,552</u>	<u>4,728</u>

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19. Trade and other payables

Details of this balance sheet caption are as follows:

	Thousand of Euros	
	Balances at 31/12/2011	Balances at 31/12/2010
Trade payables	1,296	1,184
Public entities	458	540
Salaries payable	447	494
Other payables	95	95
	<u>2,296</u>	<u>2,313</u>

20. Risk management policy

The Company's activities are exposed to various financial risks: market risk (including currency risk, interest rate risk in fair value and price risk), credit risk, liquidity risk and interest rate risk in cash flows. The Company's risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Company's profits. The Company uses derivatives to mitigate certain risks.

Market, liquidity, currency and interest rate risks are controlled by the Group's central Treasury Department in accordance with policies defined by the Group. This Department identifies, evaluates and covers the financial risks in close collaboration with the operating units of the Group.

Credit risk is managed in a decentralised manner by each of the Group's operating units, based on parameters established by Group policies.

a) Credit risk

Credit risk arises due to the possible loss as a result of Fluidra, S.A.'s counterparties breaching their contractual obligations, i.e. failing to collect the financial assets under the terms and conditions established.

At 31 December 2011 and 2010 there are no past due balances.

b) Liquidity risk

The Company applies a prudent policy to cover its liquidity risks based on having sufficient cash and marketable securities as well as sufficient financing through credit facilities to settle market positions. Given the dynamic nature of its underlying business, the Group's Treasury Department aims to be flexible with regard to financing through drawdowns on contracted credit facilities.

Details of the classification of financial liabilities by contractual maturity are provided in note 16.

Based on treasury forecasts, the Company does not foresee any liquidity problems in forthcoming months.

c) Currency risk

The Company does not have any significant currency risks.

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The currency risk arises from recognised assets and liabilities. Details of financial assets and financial liabilities in foreign currencies and transactions in foreign currencies are provided in notes 8 & 16.

A currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency other than the Company's functional currency.

The Company enters into forward exchange contracts, negotiated through the Group's Treasury Department, to hedge currency risks on future commercial transactions and recognised assets and liabilities. The Company has indirectly various investments in businesses abroad, the net assets of which are exposed to currency risk. Currency risk on net assets from the Group's operations in the United Kingdom, Australia and USA are mainly managed using financing denominated in the corresponding foreign currencies.

d) Interest rate risk in cash flows

As the Company does not have a considerable amount of remunerated assets, income and cash flows from operating activities are not significantly affected by fluctuations in market interest rates.

Interest rate risks arise from other long-term borrowings. Borrowings, all at variable interest rates, expose the Company to interest rate risks in cash flows. Fixed-interest loans expose the Company to interest rate risks to fair value. As indicated in note 16, the Company's main loans are associated with market interest rates which are updated on a quarterly, half-yearly or yearly basis.

The Company manages interest rate risks in cash flows through floating to fixed interest rate swaps with barriers. These interest rate swaps convert floating interest rates on borrowings to fixed interest rates. Generally, the Company obtains other non-current borrowings with floating interest rates and swaps these for fixed interest rates. These are generally at lower rates than those which would have been obtained had the Group obtained the resources directly with fixed interest rates. Through interest rate swaps, the Company undertakes to exchange the difference between fixed interest and floating interest with other parties periodically (generally quarterly). The difference is calculated based on the contracted notional principal.

e) Market risk

Apart from the swaps contracted by the Company, as mentioned in the section above, there are no significant price risks relating to equity instruments classified as available-for-sale or at fair value through profit and loss.

21. Revenues and expenses

a) Revenue

Revenues during 2011 are entirely composed of consulting services charged to group companies and dividends collected.

Revenues during 2010 fully comprised consulting services charged to the Group companies.

Revenue does not include interest payable without any margin to Group companies as the Company is the head of the Group's cash pooling centralised credit facilities, given that it is not considered to form part of the statutory and principal activities of the Company. This interest amounts to Euros 3,982 thousand in 2011 and Euros 2,928 thousand in 2010).

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Notes to the Annual Accounts

b) Personnel expenses

Details of personnel expenses for 2011 and 2010 are as follows:

	Thousand of Euros	
	Balances at 31/12/2011	Balances at 31/12/2010
Wages and salaries	5,983	5,102
Employee benefits expense	1,102	898
Payments based on own equity instruments	50	50
Other employee benefits expense	350	88
	<u>7,485</u>	<u>6,138</u>

22. Employee Information

The average headcount during 2011 and 2010, distributed by category, has been as follows:

	<u>31.12.2011</u>	<u>31.12.2010</u>
Board members (including 1 senior executive)	10	10
Senior management	2	2
Sales, logistics and production	17	11
Finance and administration	82	74
	<u>111</u>	<u>97</u>

At year end the distribution by gender of personnel and the members of the board of directors is as follows:

	<u>31.12.2011</u>		<u>31.12.2010</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
Board members (including 1 senior executive)	10	-	10	-
Senior management	2	-	2	-
Sales, logistics and production	13	6	8	2
Finance and administration	52	31	47	26
	<u>77</u>	<u>37</u>	<u>67</u>	<u>28</u>

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23. Transactions with group companies and associates

The most significant transactions with group companies and associates are as follows:

	Thousand of Euros	
	<u>31/12/2011</u>	<u>31/12/2010</u>
<u>Income</u>		
Dividends	9,592	-
Services rendered	7,512	6,923
Other operating income	6	1,196
Interest income	<u>23</u>	<u>9</u>
	<u>17,133</u>	<u>8,128</u>
 Services received	 <u>779</u>	 <u>1,296</u>
	<u>779</u>	<u>1,296</u>

In 2010 the Company registered services rendered by Euro 833 thousand related a re-invoicing to group companies concerning to back office services.

Details of dividends received in 2011 were as follows:

	Thousand of Euros
	<u>31/12/2011</u>
Fluidra Commercial, S.A.	5.684
Accent Graphic, S.L.	158
Swimco Corp., S.L.	<u>3.750</u>
	<u>9.592</u>

During 2010, the Company did not received dividends from the Group Companies.

24. Information on Directors**a) Information on Company directors and senior management personnel**

No advances or loans have been extended to key management personnel or the directors.

Remuneration received by key management personnel and the Company's directors is as follows:

	Thousand of Euros	
	31.12.2011	31.12.2010
Total key management personnel	1,676	1,660
Total Parent directors	1,249	1,255

The members of the Company's board of directors have received a total of Euros 919 thousand in 2011 (Euros 917 thousand in 2010), respectively, from the consolidated companies in which they are directors. In addition, they have received a total of Euros 330 thousand for executive functions in 2011 (Euros 338 thousand in 2010). They have also received amounts for travel expenses totalling Euros 64 thousand (Euros 93 thousand in 2010).

The Company has a pension commitment with a senior executive consisting of complementary income in the event of permanent disability whilst employed by the Company. This commitment has been externalised through a life insurance policy, for which the Company has recognised an expense of Euros 4 thousand during 2011 (Euros 4 thousand in 2010).

Apart from the above, the Group has no obligations regarding pensions or life insurance with either former or current members of the board of directors or key management personnel and holds no guarantees on their behalf.

In addition, on 2 June 2010 a stock incentive plan was approved targeted at the Chief Executive Officer and at certain Company executives. The first and second cycle of this Plan were started on 15 July 2010 and 15 July 2011, respectively. At 31 December 2011 the amount recognised in equity for this concept amounted to Euros 150 thousand (Euros 50 thousand at 31 December 2010) (see note 20).

(b) Transactions outside ordinary trading or on a non-arm's length basis carried out by Parent directors

The directors of the Parent have not carried out any transactions outside ordinary trading or on a non-arm's length basis with the Company or with Group companies during 2011 and 2010.

c) Investments and positions held in other companies by the Parent's directors and related persons to them

Details of investments held by the directors of the Parent company and parties related to them in companies with identical, similar or complementary statutory activities to those of the Group and positions held as well as functions and activities performed in these companies are shown in Appendix I, which forms an integral part of the annual accounts.

25. Other Commitments and Contingencies**a) Share ownership plan for the Company's managing director and those members of the management team**

At the General Meeting held on 2 June 2010 the shareholders approved a share ownership plan for the Company's managing director and those members of the management team belonging to the Group's Executive Committee. Acceptance of this plan implies waiving any right deriving from the plan dated 5 September 2007.

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The plan is implemented through two instruments:

a) Part of the incentive is implemented through the granting of a certain number of restricted share units (RSUs), which will be settled by the issuance of shares once a specified period of time has elapsed.

b) The other part of the incentive is instrumented through share appreciation rights (SARs) settled by the issuance of shares once a certain period of time has elapsed and once the price of the Company's shares have increased within a specified period of time.

This plan comprises three cycles, each of which covers a period of three years. The grant dates for each of the cycles are: 15 July 2010, 15 July 2011 and 15 July 2012, ending on 15 July 2013, 15 July 2014 and 15 July 2015 respectively.

The RSUs and SARs are free and cannot be transferred and grant their holders the possibility of receiving Company shares. Provided that the RSUs and SARs do not convert into Company shares their holders are not shareholders thereof and the beneficiaries are not entitled to receive any more RSUs and/or SARs in the future, as it is a one-off event which does not consolidate or ensure the receipt of RSUs and/or SARs in the future.

The maximum number of RSUs to be granted under the Plan is 220,000.

The maximum number of SARs to be taken as a reference for establishing the variable remuneration to be paid to the beneficiaries will be 660,000.

At 31 December 2011 the best estimate of the whole Plan amounts to approximately Euros 1,100 thousand. The fair value of the first and second cycle granted at 15 July 2010 and 15 July 2011 amounts to Euros 660 thousand, Euros 150 thousand of which are recognised in equity 2011 (Euros 50 thousand recognised in 2010).

26. Taxation

Income taxes cannot be considered definitive until they have been inspected and agreed by the tax authorities or before the inspection period of four years has elapsed. Due to the treatment permitted by fiscal legislation of certain transactions among others, additional tax contingencies could exist in the event of inspection. In any event, the Company's directors do not consider that any such contingencies that could arise would significantly affect the annual accounts.

During 2011 and 2010 the Company continued to file consolidated tax returns with Fluidra, S.A. being the Parent of this tax consolidated group and responsible for filing the corresponding tax returns with the Spanish taxation authorities. Non-resident companies in Spain and resident companies which file individual tax returns: Productes Elastomers, S.A., Certikin Pool Ibérica, S.L., Way fit, S.L and ID electroquímica, S.L. and companies adhering to Basque tax legislation are excluded from the tax consolidated group. Profit calculated in accordance with prevailing fiscal legislation in Spain is subject to a tax rate of 30% of the taxable income for companies located in Spain (excluding Basque Country).

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Notes to the Annual Accounts

A reconciliation between the net income and expenses for the year and the taxable income of the Company at 31 December 2011 and 2010 is as follows:

Thousand of Euros							
2011							
	Income statement			Income and expenses recognised in equity			
	Increases	Decreases	Net	Increases	Decreases	Net	Total
Income and expenses for the year	2,205	-	2,205	-	(159)	(159)	2,046
Income tax	-	(3,004)	(3,004)	-	(68)	(68)	(3,072)
Profit / (loss) before income tax	-	-	(799)	-	-	(227)	(1,026)
Permanent differences individual co.	293	-	293	-	-	-	293
Permanent differences tax consolidation	-	(5,842)	(5,842)	-	-	-	(5,842)
Temporary differences individual co.	1,453	(1,773)	(320)	227	-	227	(93)
Temporary differences tax consolidation	2,677	(2,500)	177	-	-	-	177
Taxable income (Tax loss)			<u>(6,491)</u>			-	<u>(6,491)</u>

Thousand of Euros							
2010							
	Income statement			Income and expenses recognised in equity			
	Increases	Decreases	Net	Increases	Decreases	Net	Total
Income and expenses for the year	(5,572)	-	(5,572)	203	-	203	(5,369)
Income tax	-	(722)	(722)	86	-	86	(636)
Profit / (loss) before income tax	-	-	(6,294)	-	-	289	(6,005)
Permanent differences individual co.	91	-	91	-	-	-	91
Temporary differences individual co.	-	(2,770)	(2,770)	-	(289)	(289)	(3,059)
Temporary differences tax consolidation	2,267	(2,677)	(410)	-	-	-	(410)
Taxable income (Tax loss)			<u>(9,383)</u>			-	<u>(9,383)</u>

Permanent differences with the tax consolidation mainly relate to the elimination of dividends received by the Company, for companies consolidated for tax purposes in Spain (excluding Basque Country).

Temporary differences associated with the tax consolidation relate to the elimination of the inventory margin for companies consolidated for tax purposes in Spain (excluding Basque Country).

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Notes to the Annual Accounts

Details of deferred tax assets and liabilities, by type, are as follows:

	Thousand of Euros					
	Assets		Liabilities		Nets	
	2011	2010	2011	2010	2011	2010
Deferred gains	-	-	1,365	1,365	(1,365)	(1,365)
Inventories	-	-	750	803	(750)	(803)
Provision for investments	-	-	991	831	(991)	(831)
Credits for deductions and tax loss carrywards	2,068	1,568	-	-	2,068	1,568
Other items	157	52	36	44	121	8
Total	<u>2,225</u>	<u>1,620</u>	<u>3,142</u>	<u>3,043</u>	<u>(917)</u>	<u>(1,423)</u>

	Thousand of Euros				
	31.12.2010	Profit and loss	Equity	Other	31.12.2011
Deferred gains	(1,365)	-	-	-	(1,365)
Inventories	(803)	53	-	-	(750)
Provision for investments	(831)	(532)	-	372	(991)
Credits for deductions and tax loss carrywards	1,568	436	-	64	2,068
Other items	8	-	68	45	121
Total	<u>(1,423)</u>	<u>(43)</u>	<u>68</u>	<u>481</u>	<u>(917)</u>

	Thousand of Euros					
	31.12.2009	Profit and loss	Business Comb.	Equity	Other	31.12.2010
Deferred gains	(2,845)	1,480	-	-	-	(1,365)
Inventories	(680)	(123)	-	-	-	(803)
Provision for investments	2,602	(3,433)	-	-	-	(831)
Credits for deductions and tax loss carrywards	1,515	(124)	198	-	(21)	1,568
Other items	95	-	-	(87)	-	8
Total	<u>687</u>	<u>(2,200)</u>	<u>198</u>	<u>(87)</u>	<u>(21)</u>	<u>(1,423)</u>

On 30 March 2006 the Company increased capital through a non-monetary contribution of shares, adhering to the special tax regime included in title VII, chapter VIII of Royal Decree-Law 4 of 5 March 2004, approving the Modified Text of Spanish Income Tax Law.

Initially, the shareholders contributing shares in the aforementioned transaction adhered to this tax exemption, therefore transferring the commitment with the taxation authorities for the corresponding deferred tax liability, which amounts to Euros 7,790 thousand, to the Parent. Nevertheless, on 31 March 2006 these shareholders signed a commitment to reimburse the Parent for the total amount of this exemption, which will be required in the event that the associated shares are sold by the Parent or the corresponding tax is directly settled by the contributing shareholders should they sell all or part of the shares received in exchange for this contribution. Consequently, at 31 December 2006 the

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Company recognised a non-current deferred tax liability and a non-current receivable, both for the aforementioned amount. Should the Company generate a receivable from the contributing shareholders, the amount payable by the contributing shareholders will be set off by future dividends to be distributed by the Company. As a result of the disposal of shares by the shareholders on 31 October 2007 in relation to floating the Company on the stock market, this non-current deferred tax liability (recognised under deferred gains in the table above) and the non-current receivable were reduced by Euros 1,365 thousand.

Items charged and credited directly to equity for the year relate to available-for-sale financial assets and hedging instruments and grants amount to Euros 68 thousand in 2011 and Euros (87) thousand in 2010.

Deferred tax assets and liabilities expected to revert in the next 12 months amount to Euros 756 thousand and Euros 2,225 thousand, respectively. (Euros 809 thousand and Euros 1,744 thousand respectively in 2010).

Details of the recoverable income tax are as follows:

	Thousand of Euros	
	2011	2010
Current tax		
Current year	(2,383)	(2,939)
Tax credits	(689)	-
Prior year adjustments	(1)	1
Other	26	15
Deferred taxes		
Origination and reversal of temporary differences	478	2,076
Credits for deductions and tax loss carryforwards	435	124
Total income tax	<u>(3,004)</u>	<u>(722)</u>

A reconciliation of the current tax with net current income tax liabilities is as follows:

	Thousand of Euros	
	2011	2010
Current tax	(3,072)	(2,939)
Withholdings and payments on account during the year	(510)	(241)
Additional liabilities from group companies consolidated for tax purposes	3,026	2,907
Tax payable / (receivable) 2010	(274)	-
Tax payable / (receivable) 2009	-	(99)
Income tax payable / (recoverable)	<u>(830)</u>	<u>(372)</u>

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Details of the recoverable income tax related to profit on continuing operations are as follows:

	Thousand of Euros	
	2011	2010
Profit before income tax on continuing operations	(799)	(6,294)
Profit at 30%	(240)	(1,888)
Permanent differences	(1,665)	27
Differences in prior years' income tax expense	(1)	1,123
Tax credits	(1,124)	-
Other	26	16
Total income tax	<u>(3,004)</u>	<u>(722)</u>

The tax credit regarding impairment of investments in group companies and associates is as follows:

Name	Equity		Accumulated deductible impairment 31/12/2010		Regularization (1)		Deterioro deducible 31/12/2011		Accumulated deductible impairment 31/12/2011	
	31/12/2010	31/12/2011	Accumulated deductible impairment 31/12/2010	Accumulated elimination consolidated tax returns	Deductible Impairment 31/12/2010	Elimination consolidated tax returns 31/12/2010	Integrated amount in tax income / (loss) 31/12/2011	Elimination consolidated tax returns 31/12/2011	Accumulated deductible impairment 31/12/2011	Accumulated elimination consolidated tax returns
FLUIDRA SERVICES FRANCE, S.A.S,	17,073,598	17,518,698	2,769,869	-	(1,239,057)	-	1,772,702	-	3,303,514	-
FLUIDRA SERVICES ESPAÑA, S.L.U,	(227,676)	(234,036)	3,103	3,103	-	-	230,775	230,775	233,878	233,87
Total	16,845,922	17,284,662	2,772,972	3,103	(1,239,057)	-	2,003,477	230,775	3,537,392	233,87

(1) Difference between the numbers reported in the Annual Accounts de 2010 and the ones reported in the tax declaration of 2010.

The amounts and terms of the reversal of deductions not recognised at 31 December 2011 are as follows:

Years	Thousands of euros	Final year
2005	8	2015
2006	5	2016
2009	37	2019
2009	42	2024
2010	30	2020
2010	94	2025
2011	76	2026
	<u>292</u>	

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Notes to the Annual Accounts

In 2008 the company absorbed Fluidra Services, S.A.U carried out the reinvestment in tangible fixed assets by Euros 786 thousand. These assets must keep working during minimum three years since the date of the putting into gear.

Tax loss carryforward amounts and reversal periods are as follows:

Years	Thousands of euros	Final year
2005	8	2018
	8	

The company have the following years open to inspection:

Tax	Years open
Income tax	2007 to 2011
VAT	2008 to 2011
Personal income tax	2008 to 2011
Business activities tax	2008 to 2011

27. Information on Deferred Payments to Suppliers. Third Additional Provision of Law 15/2010 of 5 July 2010: "Reporting Obligation"

The information on the deferred payments done to creditors (in Thousand of Euros) are as follows:

Payments made and payable at the reporting date		
2011		
	Amount (thousands of Euros)	%
Within maximum legal payment term	5,935	84%
Rest	1,103	16%
Total payments for the year	7,037	100%
DPO exceeded (days)	20	
Late payments for which the maximum legal payment term has been exceeded at the reporting date	-	-%

Fluidra has analysed the terms for outstanding balances to suppliers in accordance with the criteria included in the Law:

- Balances outstanding at 31 December 2011 relating to suppliers and trade payables included under current liabilities for payables to trade suppliers and service providers on the balance sheet.
- The maximum legal term has been calculated based on the date the services were rendered by a third party or merchandise was received by Fluidra, or from the date that the Law entered into force (7 July 2010), if subsequent to these dates.

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- c) In accordance with the transitional regime established by Law 15/2010, the deferral period has been 85 days.

From the balances payable at 31 December 2011 relating to suppliers and trade payables included under current liabilities, there is not payments deferred by more than 85 days

28. Fees of the Auditor and the Auditor's Group and Related Companies

The audit company KPMG Auditores, S.L. of the Group annual accounts has invoiced net fees for professional services during the years ended 31 December 2011 and 2010, as follows:

	Thousand of Euros	
	31.12.2011	31.12.2010
For audit services	13	13
For other services of accounting verification	207	261
For other services	-	20
Total	220	294

The amounts detailed in the above table include the total professional service fees for years 2011 and 2010, irrespective of the date of invoice.

Other societies of the KPMG Europe, LLP Group have invoiced the Group net fees for professional services during the years ended 31 December 2011 and 2010, as follows:

	Thousand of Euros	
	31.12.2011	31.12.2010
For audit services	-	-
For other services of accounting verification	-	-
Por otros servicios	47	80
Total	47	80

On the other hand, other affiliated entities to KPMG international have invoiced the Group net fees for professional services during the years ended 31 December 2011 and 2010, as follows:

	Thousand of Euros	
	31.12.2011	31.12.2010
For audit services	-	-
For other services of accounting verification	-	-
Por otros servicios	-	90
Total	-	90

29. Environment

At 31 December 2010 and 2011, in view of the Company's activity, it has no significant assets earmarked for the protection and improvement of the environment and no significant environmental expenses have been incurred during these years. The Company's board of directors considers that there are no significant contingencies relating to the protection and improvement of the environment and does not consider it necessary to make any provision for liabilities and charges of an environmental nature at year end.

30. Subsequent events

No subsequent events have taken place.

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Directors' Report

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

General business overview

Unlike the prior year, during the first half of 2011 the Company has generated dividend income amounting to Euros 9,592 thousand.

Personnel expenses and operating expenses have increased compared to the prior year, mainly due to the rise in headcount, indemnities for restructuring and the increase in expenses for independent professional services.

Finance expenses have increased due to the higher interest on loans mainly to finance the acquisition of Aquatron Inc, Aqua Products Inc and Aquatron Robotic Systems Ltd.

Nevertheless, as a result of the dividend income, the results for the year changed from losses of Euros 5.6 million in 2010 to profits of Euros 2.2 million at 2011 close.

An analysis of the balance sheet at 31 December 2011 compared to that of 31 December 2010, shows that investments in Group companies have risen due to the capital increase in the subsidiary Fluidra Industry, S.A.U. to finance the acquisition of Aqua and as a result of a contribution to offset losses in the subsidiary Fluidra Services España. S.L.U.

Furthermore, the rise in debt with financial institutions is significant (net of current deposits and cash and other cash equivalents) increasing from Euros 84.9 million in 2010 to Euros 125.4 million, mainly driven by the financing of the capital increase and investments in fixed assets.

At its meeting held on 26 March 2012 the board of directors agreed to propose to the shareholders the distribution of dividends of Euros 8,000 thousand to voluntary reserves.

Overview of risk management policies

The Company's risk management policies include managing risks from financial markets (currency and interest rate risks) and maintaining the same hedging policies.

Own shares

During 2011 the Company has carried out various transactions to purchase own shares (Euros 666,147 shares) and sell own shares (418,661 shares). At year end the Company held 2,852,328 own shares, representing 2.53% of its capital and at a cost of Euros 8,368 thousand.

Research, development and technological innovation

During 2011 the Company has incurred expenses for research, development and technological innovation amounting to Euros 161 thousand.

Environment

At 31 December 2011 the Company has no significant assets for the protection and improvement of the environment, nor has it incurred relevant environmental expenses during the year.

Personnel

The average headcount has risen from 97 to 111 employees, due to new staff joining the marketing and IT departments.

Events after the balance sheet date

There are no subsequent events after the balance sheet date.

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A. OWNERSHIP STRUCTURE**A.1 Complete the following table on the company's share capital.**

Last update	Share capital (€)	Number of shares	Number of voting rights
30.3.2006	112,629,070.00	112,629,070.00	112,629,070

There is only one class of share and, therefore, none of the shares have additional rights.

A.2 Specify the direct and indirect holders of significant shares in your company at the closing date of the financial year, excluding the Directors:

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights.*	% over the total voting rights
BOYSER S. L	15.905.405	0	14,122
Bernat Corbera Bros	99.213	15.204.914	13,588
EDREM S.L	15.204.914	0	13,500
DISPUR S.L	13.719.238	0	12,181
ANIOL S.L	11.330.658	0	10,060
Robert Garrigós Ruiz	0	11.330.658	10,060
CARTERA INDUSTRIAL REA S.A.	5.000.000	0	4,439
AVIVA INTERNATIONAL HOLDING LIMITED (AHL)	0	3.386.650	3,007
ALBERT COSTAFREDA JO	0	3.477.399	3,087

*Through :

Name of the indirect shareholder	Name or corporate name of the direct shareholder	Number of direct voting rights	% over the total voting rights
BERNAT CORBERA BROS	EDREM S.L	15.204.914	13,500
ROBERT GARRIGOS RUIZ	ANIOL S.L	11.330.658	10,060

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Specify the most significant transactions that have taken place during the year in the shareholding structure:

A.3. Complete the following tables regarding the members of the company's Board of Directors who hold shares in the company.

Name or corporate name of the director	Number of direct voting rights	Number of indirect voting rights *	% over the total voting rights
Juan Planes Vila	10.000	13.719.238	12,190
Eloy Planes Corts	66.121	0	0,059
Bansabadell Inversió Desenvolupment, S.A. represented by Mr. Carlos Ventura Santamans	10.891.053	0	9,670
Bernat Corbera Serra	202.243	0	0,180
Grupo Corporativo Empresarial de la Caja de Ahorros y M.Piedad de Navarra	9.009.064	0	7,999
Bernat Garrigós Castro	23.254	0	0,021
Richard J. Cathcart	32.950	0	0.029

Through*:

Name or corporate name of the direct shareholder	Trougt of: Name or corporate name of the direct shareholder	Number of direct voting rights	% over the total voting rights
DON JUAN PLANES VILA	DISPUR, SL	13.719.238	12,181

% of total voting rights held by the Board of Directors	30,147
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Complete the following tables regarding the members of the company Board of Directors who own rights over company shares:

Name or corporate name of the director	Number of direct rights	Number of indirect rights	Number of equivalent shares	Total % of voting rights
ELOY PLANES CORTS	66.121	0	66.121	0.059

A.4. If applicable, state whether there are any relationships of a family, commercial, contractual or business nature between the significant shareholders that are known to the Company, unless such relationships are of little relevance or are the result of the ordinary line of business.

Name or company name related	Relationship	Briefly description
EDREM S.L and BOYSER S.R.L.	Familiar	

A.5. If applicable, state whether there are any relationships of a family, commercial, contractual or business nature between the significant shareholders and the the Company and/or the group, unless such relationships are of little relevance or are the result of the ordinary line of business.

N/A

A.6. Specify whether the company has been notified of any agreements made by shareholders that may affect it in accordance with the provisions of Article 112 of the Spanish Stock Market Act. If applicable, give a brief description and list the shareholders related to the agreement.

YES

Intervening parties in the shareholders' agreement	% of capital affected	Brief description of the agreement

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BANSABADELL INVERSIÓ DESENVOLUPAMENT S.A.U., ANIOL S.L., EDREM S.L., DISPUR S.L., BOYSER S.L.	59,467	In 2007, the shareholders listed below signed a shareholders agreement whose purpose was to regulate voting rights over the 4 years from the time Fluidra shares were listed on the market on 31 October 2007. It likewise sought to regulate the restrictions on the transfer of syndicated shares, which were excluded from the agreement given that they were legally subject to resolutions to be adopted by the AGM. On 1 December 2010, the abovementioned shareholders passed a resolution whereby the term of the agreement was extended to 1 December 2015.
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A.7. Specify whether any individual or legal entity exists that exercises or has the power to exercise control over the company in accordance with Article 4 of the Stock Market Act. If applicable, please specify:

YES

NO X

A.8. Fill in the following tables regarding the company's treasury stock:

At the close of the financial year:

Number of directly owned shares	Number of indirectly owned shares	Total % of share capital
2.852.328	0	2,5325

Specify any significant variations that have taken place during the year, under the provisions of Royal Decree 1362/2007:

Date of communication	Total number of directly owned shares	Total number of indirectly owned shares	Total % over share capital
30/03/2011	666.147	0	0,5915

Plusvalua / Minusvalía= -138.8

Specify any significant variations that have taken place during the year, under the provisions of Royal Decree 1362/2007:

Plusvalua / Minusvalía=-3

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A.9. Detail the conditions and deadline of authorisation by the Board of Directors to execute acquisitions or transfers of own shares:

At the Annual General Meeting held on 8nd June 2011, the resolution authorising the Company to carry out the derivative acquisition of own shares, directly or through group companies, was unanimously approved with the express power to reduce share capital in order to redeem own shares, delegating to the Board of Directors necessary the powers for the implementation of the resolutions adopted by the General Meeting regarding this matter (leaving the previous authorisation ineffective) and authorisation to (if applicable) apply the portfolio of own shares to cover the execution or coverage of payment systems.

During the meeting of the Board of Directors held on 27th April 2011, the Board decided to empower the Managing Director to acquire treasury stock up to a limit of 4% of the share capital.

A.10. Specify, if applicable, the legal and statutory restrictions pertaining to exercising voting rights, as well as any legal restrictions on the acquisition or transfer of shares in the share capital:

NO

Specify whether there are any legal restrictions on the exercise of voting rights:

NO

Specify whether there are any legal restrictions on the purchase or transfer of shares in the share capital:

☒ YES☐ NO**Description of the legal restrictions on the purchase or transfer of shares in the share capital**

Under the provisions of Article 81.2 of the Stock Market Act, any Liable Individuals that are party to any kind of Privileged Information, "may not prepare or perform, directly or indirectly, whether in person or through third parties, any kind of transaction on the Company's Negotiable Securities and Financial Instruments".

Liable Individuals may not purchase or sell Negotiable Securities or Financial Instruments while the restriction periods are in force, that is:

In the fifteen days prior to the estimated date of publication of the quarterly, six-monthly and annual forecast statements that the Company is obliged to submit to the Spanish Securities Commission and the Governing Bodies of the Stock Exchange, and until its general publication.

From the time that any information is made available until its general publication about proposals on the distribution of dividends, capital increases or decreases, of the issue of the Company's convertible securities.

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From the time any other Relevant Information is made available until it is officially released or becomes public knowledge.

In accordance with the provisions of Article 5.3 of the Internal Regulations on Conduct, negotiable securities may not be sold on the same day on which a purchase transaction takes place.

Subsequent to approval by the CEO, the Director of the Company's Legal Department may decide to either prohibit Liable Individuals from entering into transactions involving Negotiable Securities and Financial Instruments or to make such transactions mandatorily subject to his prior authorisation over the time that he sees fit, when circumstances so require. Under these circumstances, the CEO will be responsible for authorising any personal transactions the Director of the Legal Department may wish to conduct that involve Negotiable Securities and Financial Instruments.

A.11. Specify whether at the General Shareholders Meeting it was agreed to adopt neutralisation measures with regard to a takeover bid as provided for under Act 6/2007.

YES ☐NO ☒**B.- COMPANY MANAGEMENT STRUCTURE****B.1. Board of Directors**

B.1.1. Specify the maximum and minimum number of directors foreseen in the articles of association:

Maximum number of directors	15
Minimum number of directors	5

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B.1.2. Fill in the table below with the appropriate information about the members of the Board:

Name or company name of the director	Representative	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
Mr Juan Planes Vila		Chairman	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Mr Eloy Planes Corts		CEO and Member	31.10.06	08.06.11	Unanimous decision at General Shareholders Meeting.
Mr Bernat Garrigós Castro		Deputy Secretary	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Mr Oscar Serra Duffo		Member	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Mr Bernat Corbera Serra		Member	03.10.02	5.9.07	Unanimous decision at General Shareholders Meeting.
Bansabadell Inversio Desenvolupament, SA	Mr Carles Ventura Santamans	Member	07.01.03	5.9.07	Unanimous decision at General Shareholders Meeting.
Mr Richard Cathcart		Member	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Mr Kam Son Leong		Member	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Mr Juan Ignacio Acha-Orbea Echeverría		Member	5.9.07	5.9.07	Unanimous decision at General Shareholders Meeting.
Grupo Corp. Emp. de la Caja de ahorros y Mont Piedad de Navarra	Mr. Eduardo Milagro López	Member	24.06.09	24.06.09	Unanimous decision at General Shareholders Meeting.

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Total number of Board Members	10
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Specify the resignations tendered from the Board of Directors over the last year:

B.1.3. Fill in the tables below with the appropriate information about the members of the Board and their positions.

EXECUTIVE DIRECTORS

Name or company name of the director	Authority by which appointment made	Position on the company organisation chart
Eloy Planes Corts	N/A	CEO

Total number of Executive Directors:	1
% of the Board	10.00%

EXTERNAL DIRECTORS REPRESENTING CONTROLLING SHAREHOLDERS

Name or company name of the director	Authority by which appointment made	Name or company name of the significant shareholder represented or that proposed the appointment
Mr Juan Planes	N/A	DISPUR, S.L.
Mr Bernat Garrigós	N/A	ANIOL, SL.
Mr Oscar Serra Duffo	N/A	BOYSER, SL
Mr Bernardo Corbera Serra	N/A	EDREM, SL
Bansabadell Inversio Desenvolupament, SA	N/A	BANSABADELL DESENVOLUPAMENT, SAU

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Grupo Corp. Emp. de la Caja de ahorros y Monte de Piedad de Navarra	N/A	Grupo Corp. Emp. de la Caja de ahorros y Monte de Piedad de Navarra
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Total number of external directors representing controlling shareholders	6
% of the Board	60,000%

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of the director	Profile
Mr Richard J. Cathcart	<p>Born in Washington (USA) on 28 September 1944. He became a pilot with an engineering degree in the United States Air Force.</p> <p>From 1975 to 1995, he held a number of management positions in Honeywell Inc.</p> <p>In 1996 he was appointed manager head of Pentair Water Businesses (Minneapolis, USA), within the company Pentair.</p> <p>From 2005 to 2007, he held the post of deputy chairman of the Board of Directors of Pentair (Minneapolis, USA), where he handled international operations and business development.</p> <p>In September 2007, Mr. Cathcart was appointed to the Board of Directors of Watts Water Technology where he continues to serve.</p>
Mr Kam Son Leong	<p>Born in Selangor (Malaysia), on 27 January 1955. Graduated with Master Degree in mechanical engineering from Iowa State University in the United States.</p> <p>In the year 2000 he was appointed president of Asia/ Pacific of York International Corp., a Fortune 500 company listed at the NYSE. He performed said post until end 2004, handling the strategies of finance, business development and execution of business plan..</p>

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	<p>From 2005, he joined J. W. Childs, a private equity company headquartered in Boston.</p> <p>He is also board member in the following companies: Vast Lava, Pro-Logic, HL Partners, Deluxe International, and Chairman of Henan ADD Electric Power Equipment, LTD.</p>
Mr Juan Ignacio Acha-Orbea Echeverría	<p>Born in San Sebastián on 1 July 1956. He graduated in Economic Sciences from the Universidad Complutense of Madrid and earned a Masters in Business Administration from IESE Business School.</p> <p>From 1982 until 1986 he was the Manager of the company Chemical Bank, in Madrid and in New York.</p> <p>From 1986 until 1989, he carried out the post of Director of Variable Income and Investment Funds for the entity Bankinter.</p> <p>From 1989 until 2003 he was General Manager and Chairman of BBVA Bolsa, S.V.</p> <p>From 2003 until 2006 he formed part, as independent director, of the Board of Directors of the listed company TPI Páginas Amarillas.</p> <p>Furthermore, in the year 2003, he was appointed Chairman of the company Equity Contraste Uno, post which he continues to exercise at present.</p>

Total number of independent Directors	3
% of the Board	30,000 %

OTHER EXTERNAL DIRECTORS:

NONE

If applicable, specify the changes that have occurred over the past year in the duties performed by each director:

Not applicable

B.1.4.: Explain, if applicable, the reasons why external directors representing controlling shareholders were appointed at the request of the shareholders who own less than 5% of the capital: Not applicable.

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Specify whether any formal requests to attend board meetings have been ignored if such requests have been made by shareholders who own the same number or more shares as others and at whose request external directors representing controlling shareholders directors would have been appointed. If applicable, explain why these requests were ignored.

YES ☐NO ☒

B.1.5: Specify whether any directors have resigned from their posts before the end of their mandate. Give the reasons that were given for doing so and through which means of communication. If such resignations were tendered in writing to the Board, set out the reasons given for doing so below.

YES ☐NO ☒

B.1.6. If applicable, specify the duties that are delegated to the CEO.

The current CEO, Mr Eloy Planes, has delegated all duties on a permanent basis that are delegable according to the Law.

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B.1.7 If applicable, specify the members of the Board who act as directors in other companies that form part of the group if the listed company.

NAME OF THE DIRECTOR: ELOY PLANES CORTS

Company	Position
Astral Nigeria, Ltd.	Director
Astral Italia, S.P.A.	Sole Director
Astral Bazenove Prislusentsvi, S.R.O.	Joint and Severally Director
Astral India Private, Limited	Director
Fluidra Singapore, Pte Ltd.	Director
Certikin International, Limited	Director
AP Immobiliere	Sole Director
Aquaproducts. Inc	Chairman
Turcat Polyester Sanayi Ve Ticaret Anonim Sirketi	Director
Zao Astral, SNG	Director
Fluidra Polska, S.A.	Director
Fluidra Magyarország Kft.	Joint and Severally Director
Fluidra USA	Director
Fluidra Chile, Sociedad Anónima Cerrada	Director
Fluidra Deutschland Gmbh	Joint and Severally Director
Fluidra Hellas	Director
Fluidra Balkans JSC	Director
Moderne Wassertechnik AG (MTH)	Director
Catpool, S.A. de C.V.	Director
Astral Pool UK, Limited	Director
Fluidra Tr Sv Ve Havuz Ekipmanlari	Director
Fluidra Industry, S.A.U.	Representative of director
Fluidra Commercial, S.A.U.	Representative of director
Inmobiliaria Swim 38, S.L.U.	Representative of director
Swimco Corp, S.L.	Representative of director
Fluidra Cyprus, Ltd	Director
Inquide Italia, SRL	Director
Cepex, S.R.L.	Director
Astral Pool Australia PTY LTD	Director

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Company	Position
Certikin Italia, Spa	Director
Astral Pool Thailand, Co., Ltd	Joint and Severally Director
Fluidra Thailand, Co., Ltd	Joint and Severally Director
Fluidra South Africa, Pty, Ltd	Joint and Severally Director
Fluidra Malaysia	Director
Astral Pool Switzerland	Power of Attorney
Certikin Portugal S.A.	Director
Fluidra Danmark A/S	Director
Fluidra Indonesia P.T.	Director
Fluidra Adriatic	Director & Chairman
Po Leg & Teknik A/S	Director
Psi Pool services Israel LTD	Director & Chairman
US. Pool Holdings. INC	Director & Chairman

B.1.8. If applicable, provide details about the directors of the company who sit on the Board of Directors of other officially listed companies in Spain that do not belong to your group and about which the company has been officially notified:

N/A

B.1.9. Specify and, if applicable, provide details about whether the company has established rules on the number of boards on which your directors may sit:

YES ☐ NO ☒

B.1.10. With regard to recommendation number 8 in the Unified Code of Corporate Governance, describe the company's general policies and strategies that may only be approved at plenary Board meetings.

	YES	NO
Investment and financing policies* unless they correspond to the General Shareholders' Meeting	x	
The definition of the group's corporate structure	x	
Corporate governance policies	x	
Policies on corporate liability	x	
The strategic or business plan, management goals and annual expenditure	x	
Policies on remuneration and the assessment of the performance of senior management	x	

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Policies on risk management, the regular monitoring of internal information and control systems	x	
Policies on dividends and treasury stock, with particular regard to the thresholds of such	x	

B.1.11 Fill in the tables below with details about the aggregate remuneration of the Board members accrued over the year:

In the company that is the subject of this report:

Remuneration category	Figures in thousands of euros
Fixed remuneration	1,053
Variable remuneration	118
Travelling expenses	78
Statutory business	0
Stock options and/or other financial instruments	0
Other	0
TOTAL:	1,249

Other benefits	Figures in thousands of euros
Advances	0
Loans granted	0
Pension Funds and Plans: Contributions	0
Pension Funds and Plans: obligations incurred	0
Life insurance premiums	4
Guarantees provided by the company to the directors	0

b) In other companies in which the directors sit on the board and/or in other companies in the group in which they perform senior management tasks:

Remuneration category	Figures in thousands of euros
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Fixed remuneration	0
Variable remuneration	0
Travelling expenses	0
Statutory business	0
Stock options and/or other financial instruments	0
Other	0
TOTAL:	0

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Other benefits	Figures thousands euros	in of
Advances	0	
Loans granted	0	
Pension Funds and Plans: Contributions	0	
Pension Funds and Plans: obligations incurred	0	
Life insurance premiums	0	
Guarantees provided by the company to the directors	0	

c) Total remuneration by category of director:

Category of director	By company	By group
Executive	425	0
External directors representing controlling shareholders	547	0
External Independent	277	0
Other External	0	0
Total	1,249	0

d) In comparison with the profits derived from the parent company:

Total remuneration for directors (in thousands of euros)	1,249
Total remuneration for directors/profits derived from the parent company (expressed in %)	8,8

B.1.12 Name the members of the senior management that are not executive directors, and state their total accrued remuneration over the year:

Name or company name	Post
Mr Jaume Carol Pañach	General Manager for Operations
Mr Javier Tintoré Segura	General Manager
Mr Pere Ballart Hernández	Business Unit Manager
Mr Amadeo Serra Solana	Business Unit Manager
Mr Carles Franquesa Castrillo	Business Unit Manager

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Mr Ignacio Elburgo Aramberri	Business Unit Manager
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Total remuneration for senior management (in thousands of euros)	1.346
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B.1.13 In aggregate terms, state whether there are any guarantee or protection clauses in the case of dismissal or changes of control for senior management, including executive directors, of the company or the group. State whether the company or the group's governing bodies must be notified and/or approve such contracts:

Number of beneficiaries	7
-------------------------	---

	Board of Directors	General Meeting
Body that approves the clauses	YES	NO

	YES	NO
Is the General Meeting informed about the clauses?		x

B.1.14 Describe the process for establishing the remuneration of the members of the Board of Directors and the related clauses in the articles of association:

<p>Process for establishing the remuneration of the members of the Board of Directors and the related clauses in the articles of association</p> <p>Article 44 of the Articles of Association establishes that the remuneration of the members of the Board will consist of a specific annual emolument and a fee for attending the meetings of the Board of Directors and of its delegate and consulting committees. The maximum amount the Company may pay in remunerations to the Board members as a whole for the two items shall be determined by the General Shareholders Meeting. This amount may not be modified unless approved by the latter. The exact amount to be paid within this limit, its distribution to the various Board members and the payment schedule shall be set by the Board of Directors as it deems fit. The amount to be paid to the individual Board members shall be based on their actual professional performance.</p> <p>In addition to the remuneration set out in the above section, systems are to be put in place whereby remunerations are either linked to Company's share price or the various Directors are given shares or share purchase options. The application of these remuneration systems must be approved by the General Shareholders Meeting, which, if applicable, shall determine the value of the shares that are to be taken as a reference, the number of shares to be given to each Board member, the strike price,</p>

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the length of time this remuneration system is to be in place and other conditions it may deem fit.

The remunerations described in the above sections that apply to the Board members shall be compatible with other professional fees and earnings to which they are entitled for any other executive or consultancy duties they may perform for the Company other than those of a supervisory and decision-making nature that are inherent to their status as Board members, which shall be subject to the legal framework that applies.

State whether the following decisions are taken at plenary Board meetings:

	Yes	No
At the proposal of the company's most senior executive, appointments and dismissals of senior management, and the conditions of severance pay.	x	
The remuneration of directors and, in the case of executives, bonuses for carrying out their executive duties and other contractual conditions that must be respected.	x	

B.1.15 State whether the Board of Directors approves a detailed breakdown of retributions and specify the matters on which it has a say:

YES ☒ NO ☐

	Yes	No
Amount of fixed expenditure, with a breakdown, if applicable, of expenses for Board and Committee members, and an estimate of the fixed annual remuneration to which they give rise.	x	
Remuneration items of a variable nature.	x	
Main characteristics of payment forecast systems, with an estimate of the amount involved or the annual equivalent cost.	x	
Conditions that must be met by the contracts of senior managers, such as executive directors.	x	

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B.1.16 State whether a report on the remuneration policy for company directors is put to the vote by the Board at the General Meeting as a separate item on the agenda and for the purposes of consultation. If applicable, explain the aspects in the report that deal with the remuneration policy that has been passed by the Board for future application, the most significant changes to such policies over the past year and a general summary of how the remuneration policy was applied during the year. Give details of the role played by the Remuneration Committee and state whether external advice has been sought and name the external consultants who have provided such services:

Yes ☒No ☐

Matters dealt with in the report on the remuneration policy
General principles of the remuneration policy
General principles of the remuneration policy for Board Members
Remuneration system for Executive Directors
Remuneration system for Non-executive Directors

Role played by the Remuneration Committee
Drawing up of the Remunerations Report

	Yes	No
Has external advice been sought?		
Name of external consultants		

B.1.17 If applicable, name the members of the Board who are Directors of Boards, senior managers or employees of other companies and who also hold significant shares in the listed company and/or other organisations in the group:

Name or company name of the Board member	Company name of the significant shareholder	Post
MR JUAN PLANES VILA	DISPUR, S.L.	CHAIRMAN OF THE BOARD
MR ELOY PLANES CORTS	DISPUR, S.L.	MEMBER
MR ELOY PLANES CORTS	ESTAM-HARITZ, S.L.U.	LEGAL REPRESENTATIVE OF THE DIRECTOR (DISPUR)
BANSABADELL INVERSIÓ I DESENVOLUPAMENT, S.A. (Mr.	BANSABADELL INVERSIÓ I DESENVOLUPAMENT, S.A.	POWER OF ATTORNEY

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Carles Ventura)		
MR BERNAT CORBERA SERRA	EDREM, S.L.	CEO
MR OSCAR SERRA DUFFO	BOYSER, S.L.	CHAIRMAN OF THE BOARD
MR BERNAT GARRIGÓS CASTRO	ANIOL, S.L.	CHAIRMAN OF THE BOARD
GRUPO CORP. EMP. DE LA CAJA DE AHORROS Y M.P. DE NAVARRA (Mr. Eduardo Milagro López)	GRUPO CORP. EMP. DE LA CAJA DE AHORROS Y M. P. DE NAVARRA	RESPONSIBLE OF CORPORATE BUSINESS ANALYSIS

If applicable, describe any relevant relationships, other than those specified in the above section, that the members of the Board of Directors may have with any of the significant shareholders and/or organisations in the group:

B.1.18. State whether any changes have been made to the Board's regulations over the past year:

Yes

Amendment of the following articles of the Board Regulations: Article 1st (Origin and purpose), Article 5th (General function of the board), Article 12th (Delegates bodies of the board), Article 13th (Audit Committee. Composition, competence and function scope), Article 14th (Appointments and Remuneration Committee. Composition, competence and function scope), Article 15th (Meetings of Board of Directors), Article 16th (performance of the meetings), Article 17th (Appointment of Directors), Article 25o (Directors' remuneration), Article 28th (Non competition commitment), Article 29th (Conflict of Interest), Article 33rd (indirect operations), Article 34th (Director's duties of information) and Article 36th (website) in order to:

- a) Adjust the articles to the amendments introduced by (i) the Consolidated text of the Spanish Capital Companies Act, approved by Royal Legislative Decree 1/2010 on July 2, (ii) and by the Spanish Law 12/2010 approved on June 30, amending Financial Audit Law 19/1988 approved on July 12; Listed Company Market Law 24/1988 approved on July 28; and the Consolidated text of the Corporations Law approved by the Royal Decree 1564/1989 on December 22, in order to adjust the text to the UE Community regulations, and (iii) by the Sustainable Economy Law 2/2011, approved on March 4;

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b) Introduce certain technical improvements, and

c) Remove both, the requirement that the Chairmen of the Nomination and Remuneration Committee and Audit Committee must necessarily be independent directors, as well as the maximum mandate as Chairman of the Nomination and Remuneration Committee.

B.1.19. Describe the procedures for the appointment, re-election, assessment and removal of directors. Provide details about the responsible bodies, the procedures to be followed and the criteria to be applied in each of the procedures.

Article 36 of the Articles of Association sets out the following:

The Board of Directors shall be composed of a number of members, which shall not be less than five (5) or greater than fifteen (15). The members shall be determined by the General Meeting.

The General Meeting of shareholders is responsible for setting the number of directors. For this purpose, it shall proceed directly to set said number by means of an express decision or indirectly by the filling of vacancies or the naming of new directors, within the maximum limit set in the preceding paragraph.

The General Meeting must ensure that, insofar as is possible, the number of outside or non-executive members on the Board is a substantial majority with respect to the number of executive members. The number of executive members must likewise be the minimum necessary and must take into account the group's complexity and the proportion of the Company's capital that is held by the executive members. Finally, the Meeting must ensure that the number of independent members represents at least one-third (1/3) of the total number of members.

The definitions of the various categories of members shall be those set forth in the corporate-governance recommendations that are applicable at any time.

In the event that there is any outside member who cannot be considered to represent the controlling shareholders or to be independent, the Company shall explain this circumstance and the relationship that this member has, whether that be with the Company, its executives or its shareholders.

The nature of each member must be explained by the Board before the General Meeting of Shareholders that is to appoint them or ratify their appointment.

Appointment of Directors:

- Pursuant to Article 17.1 of the Board's Regulations, directors shall be put forward (i) at the suggestion of the Appointments and Remuneration Committee, in the case of independent directors; and (ii) subsequent to a report by the Appointments and Remuneration Committee in the case of all other directors. Directors shall be appointed by the General Meeting or the Board of Directors in accordance with the provisions of the Public Limited Companies Act.

- With regard to external directors, Article 18 of the Board's Regulations sets out that the Board of Directors must endeavour to ensure that candidates are solvent, competent and have proven experience. These conditions will be strictly upheld in the case of calls to cover the position of independent director, as provided for under Article 6 of the Regulations.

Re-election of Directors:

- Article 19 of the Board's Regulations only establishes that before proposing the re-election of directors to the General Meeting, the Board shall assess the quality of work and the dedication the proposed candidates have displayed in their previous mandates. Pursuant to Article 22, the assessment shall be made in the absence of the candidates.

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Assessment of Directors:

Pursuant to the provisions set out in Article 14 of the Board Regulations, the Nomination and Remuneration Committee will assess the competence scope, knowledge and experience required in the Board and shall, therefore determine the roles and capabilities required of the candidates to fill each vacant and shall assess the necessary time and dedication for them to perform their duties.

Removal of Directors:

- Article 21.1 of the Board's Regulations sets out that directors shall step down from their posts when the period for which they were appointed has terminated, or when the General Meeting so decides should it exercise its legal or statutory powers. This is in accordance with the terms and conditions set out in Article 223 of the Capital Companies Act.

B.1.20. State the circumstances in which directors must step down.

Pursuant to Article 21.2 of the Board's Regulations, the directors must place their posts at the disposal of the Board of Directors and formalise, if it deems this appropriate, the corresponding resignation in the following cases:

- a) When they step down from the posts as executives that were related to their appointment as directors.
- b) When involved in any legally established circumstances of incompatibility or prohibition.
- c) When seriously warned by the Board of Directors due to having infringed their obligations as directors.
- d) When their permanence on the Board might endanger or prejudice the interests, credit or reputation of the company or when the reasons for which they were appointed disappear (for example, when an external director representing controlling shareholders disposes of their participation in the company);
- e) In the case of independent directors, they may not remain as such for a continuous period of more than twelve years, and therefore once such period has elapsed, they must place their post at the disposal of the Board of Directors and formalise the corresponding resignation.
- f) In the case of external directors representing controlling shareholders; (i) when the shareholder they represent sells in full their shareholding stake, and furthermore (ii) in the number which corresponds, when such shareholder reduces their shareholding stake to a level which requires a reduction in the number of external directors representing controlling shareholders.

- In addition, Article 21.3 sets out that in the case that a director steps down, whether due to resignation or any other reason, before the end of his mandate period, the reasons for doing so must be given in a letter that must be sent to all of the members of the Board.

The Board of Directors may only propose the removal of an independent director before the end of the statutory period if there is a good reason for doing so, which must be assessed by the Board subsequent to submitting a report to the Appointments and Remuneration Committee. It shall specifically be understood that a director may be justifiably removed should he fail to fulfil the duties inherent to his post or should he for any reason become involved in any of the circumstances that independent directors are barred from as described in the recommendations on good corporate governance that are in force at any time.

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B.1.21. Explain whether the duties of chief executive of the company are assigned to the office of the Chairman of the Board of Directors. If so, state the measures that have been taken to limit the risks of accumulation of powers by a sole person:

Yes

No ☒

State and, if appropriate, explain whether rules have been established to empower one of the independent directors to call a meeting of the Board or to include new items on the agenda, to co-ordinate and express the concerns of the external directors and to direct the evaluation by the Board of Directors.

Yes ☒

No

Measures to limit risks
Article 15.4 of the Regulations of the Board of Directors foresee that, in the event of the Chairman of the Board also being the chief executive of the Company (which does not arise in this case), the Board of Directors will empower one of the independent directors to be able to call a meeting of the Board or include new items on the agenda, and thus be able to co-ordinate and express the concerns of the independent directors and direct evaluation of the Chairman by the Board. Should one or several Vice-Chairmen of the Company have independent director status, the Board will empower any of them so they may perform the duties to which this section refers.

B.1.22. Are higher majorities required, other than those required by law in any decision making processes?

Yes

☒

No

State how the resolutions by the Board of Directors are passed, stating at least the minimum attendance quorum and the type of majorities to adopt the resolutions:

Description of the resolution

The amendment of Board Regulation requires for its validity, an agreement passed by a majority of 2/3 of the Directors present or duly represented.

Quorum

Most of their members 60%

Type of majority

Absolute majority of those attending to the meeting, except in cases where the Act, the By-laws or the Board Regulation sets for a different specific quorum. In case of a tie vote, the Chairman has a diriment vote.

B.1.23 Explain whether there are specific requisites, other than those concerning the directors, to be appointed as Chairman.

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Yes

No ☒**B.1.24 State whether the Chairman has a deciding vote:**Yes ☒

No

Matters in which there is a deciding vote
--

In all matters in the event of a draw

B.1.25 State whether the Articles of Association or regulations of the Board establish any limit on the age of the directors.

Yes

No ☒**B.1.26 State whether the Articles of Association or regulations of the Board establish a limited term of office for independent directors:**Yes ☒

No

Maximum number of years of term of office
--

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B.1.27 If the number of female members of the board is scarce or null, explain the reasons and the initiatives adopted to correct that situation.

Explanation of the reasons and initiatives
There is no sex discrimination. All Directors were appointed through opportunity criteria among nominee Directors and appointment has been done according to their Resum and among Independent Directors.

In particular, state whether the Appointments and Remuneration Committee has established procedures so the selection procedures do not suffer from an implicit bias that hinders the selection of female board members, deliberately seeking female candidates who meet the required profile:

Yes ☒ No ☐

State the main procedures
In the Election and Appointment of Independent Directors Criteria, Fluidra passed by the Board of Directors, states that the company will consider the sex diversity before the election and appointment of Directors in order to ensure the Equal Opportunities, as set out by the Equality Act (March 22, 2007). Likewise, Fluidra shall ensure, among all members of the Board of Directors, not only sex diversity, but also geographical, age and experience diversity.

B.1.28 State whether there are formal processes for the delegation of votes on the Board of Directors. If so, describe briefly.

Article 42 of the Articles of Association sets out the following:

The Board shall be validly constituted when the majority of the present members or duly represented, attend the meeting. Representation by proxy shall be made in writing through a letter addressed to the Chairman for each particular meeting and must be in favour of another Board member.

Decisions shall be taken by an absolute majority of those attending the meeting, except in those cases in which the law, these Articles of Association or the Regulations of the Board of Directors have set higher majorities. In the event of a tie, the Chairman's vote shall decide.

Minutes shall be kept of the meetings of the Board of Directors and shall be signed at least by the Chairman or the Vice-chairman and the Secretary or the Deputy Secretary, and shall be transcribed or compiled according to law in a special book of Board minutes.

The minutes shall be approved by the Board of Directors at the end of the meeting or at a subsequent one.

Article 16.1 of the Regulations of the Board of Directors sets out the following:

Meetings of the Board of Directors shall be validly constituted when at least the majority of its members, present or duly represented. The directors shall make every endeavour to attend all Board meetings and when unable to do so shall designate a proxy in writing. Such proxies shall be members of the Board, specifically designated for one meeting only and issued with instructions for the meeting. The Chairman of the Board of Directors shall be notified of such circumstances.

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B.1.29 State the number of meetings the Board of Directors has held during the financial year. If applicable, also state the number of times the Chairman has not attended Board meetings:

Number of Board meetings	7
Number of Board meetings not attended by the Chairman	0

State the number of meetings of the different committees of the Board held during the year:

Number of meetings of the Executive or Delegate Committee	6
Number of meetings of the Audit Committee	6
Number of meetings of the Appointments and Remuneration Committee	6
Number of meetings of the Appointments Committee	6
Number of meetings of the Remunerations Committee	6

B.1.30 State the number of meetings the Board of Directors has held during the financial year without it being attended by all its members. The calculation will consider representation without specific instructions as non-attendance:

Number of non-attendances by directors during the financial year	2
% non-attendance out of total votes during the financial year	37,140

B.1.31. State whether the consolidated individual annual accounts presented to the Board for approval are previously certified:

YES

NO X

B.1.32. Explain, if any, the mechanisms established by the Board of Directors to avoid the individual and consolidated accounts prepared by it being presented to the General Meeting of Shareholders with qualifications in the auditor's report.

No formal procedure has been established, despite the fact that the Audit Committee must notify the Board of Directors prior to the drawing up of Individual and Consolidated Accounts to ensure they are presented without reservations.

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B.1.33. Is the Secretary to the Board a director?

No, the Secretary to the Board is not a director.

B.1.34. Explain the procedures for the appointment and severance of the Secretary to the Board, stating whether his appointment and removal are reported by the Appointments Committee and approved by the plenary Board meeting:

Appointment and severance procedure
<p>Article 5.1 of the Regulations of the Board of Directors establishes that it will be the remit of the Board to appoint and renew the positions on it.</p> <p>Pursuant to Article 10 of the Regulations of the Board of Directors and in order to safeguard independence, impartiality and professionalism of the Secretary, his appointment and severance will be reported by the Appointments and Remuneration Committee and approved by the plenary meeting of the Board.</p> <p>The current Secretary to the Board was appointed by the meeting of the Board of Directors held on September 17th 2007 at the same time as the Remunerations and Appointments Committee was created. His curriculum vitae, which proves his objectivity and professionalism, are included in the Information Prospectus of the Public Offer for the Sale of Shares by Fluidra, S.A. on October 11th 2007.</p>

	YES	NO
Does the Appointments Committee report on appointments?	X	
Does the Appointments Committee report on severance?	X	
Does the Meeting of the Board approve the appointment?	X	
Does the Meeting of the Board approve severance?	X	

Is the Secretary to the Board specifically entrusted with the recommendations of good governance?

YES X NO

Remarks

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Article 10.3 of the Regulations of the Board of Directors establishes that the Secretary, among other duties, shall specifically ensure that the actions by the Board take into account the recommendations on the good governance of the Company.

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B.1.35 State, if any, the mechanisms established by the Company to ensure the independence of the auditor, the financial analysts, merchant banks and rating agencies.

To ensure the independence of the auditor:

Article 46 of the Articles of Association establishes that the Audit Committee must:

Propose the appointment of the financial auditors or audit firms, as set out in article 204 of the Public Limited Companies Act, to the Board of Directors for submission to the General Shareholders Meeting, as well as their conditions of hire, the scope of their professional mandate and, as appropriate, the revocation or renewal of their contracts.

Deal directly with the financial auditors or audit firms so that any information received on matters that may jeopardise the independence of the latter may be tackled. It must likewise deal with all matters related to the account auditing process, any notices that have to be issued under the provisions in the legislation on account auditing and ensure compliance to auditing standards.

Article 54 establishes that financial auditors will be appointed by the General Shareholders Meeting before the end of the period to be audited, for a specific period of time that may not be less than three years or exceed nine. Moreover, the Meeting may appoint one or several individuals or corporations to act jointly. The General Shareholders Meeting may not dismiss the auditors before the end of the period for which they were appointed, unless there is a fair reason.

Moreover, the Regulations of the Company's Board of Directors, and more specifically article 13, establishes that the Audit Committee must:

Receive regular information from the financial auditors or audit firms on the audit plan and the results of its execution, and verify that senior management takes its recommendations into account.

Ensure the independence of the financial auditors or audit firms and, therefore, (i) it will be responsible for the Company reporting a change of auditor to the Spanish Securities Commission (CNMV) as a relevant fact and for backing up such reports with a statement on disagreements, if any, that have arisen with the outgoing auditor and their nature; (ii) it will ensure that the Company and auditor abide by the regulations in force on the provision of services other than auditing and, in general, that they abide by all other regulations established to ensure the independence of auditors; and (iii) in the event of an external auditor resigning, it must examine the circumstances behind the resignation.

Ensure that the auditor takes full liability for the audits of each company in the group in the case of group audits.

The Audit Committee shall receive annually from the financial auditors or audit firms a confirmation in writing of its independence with respect to the entity or entities directly or indirectly related to financial auditors, as well as the information of any additional services provided to these entities by the financial auditors or audit firms, or persons or entities related with them pursuant to the provisions of Financial Audit Law 19/1988 approved on 12 July.

The Audit Committee shall issue annually and prior to issuance of the audit report, an additional report stating an opinion about the independence of financial auditors or audit firms. This report shall, in any case, state about the rendering of additional services referred to above.

To ensure the independence of financial analysts, merchant banks and rating agencies:

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The Company must maintain a relationship with financial analysts and merchant banks that safeguards the transparency, non-discrimination, veracity and reliability of all information supplied. The Manager for Corporate Finance, through the Manager for Investor Relations, coordinates the processing and management of all requests for information from private and institutional investors. The mandates to merchant banks are granted by the General Manager for Corporate Finance. The Manager for Development grants any mandates for advice that may be deemed necessary from merchant banks in their field of operations and in coordination with the General Manager for Corporate Finance.

The Company does not have a credit rating and, therefore, does not have a relationship with credit rating agencies.

The independence of financial analysts is safeguarded through the Manager for Investor Relations, whose specific remit is to deal with investors in an objective, fair and non-discriminatory way.

In compliance with the regulations set out by the Securities Commission, the Company has several channels of communication in order to safeguard the principles of transparency and non-discrimination:

Personalised customer services for analysts and investors.

Publication of information relative to the quarterly results, relevant facts and other notices.

Publication of press releases.

E-mail on the website (investor_relations@fluidra.com) and a shareholders' helpline (+34902026039).

List of presentations either made in person or over the phone.

Visits to the Company's facilities.

All of the above information is available on the Company's website (www.fluidra.com).

B.1.36. State whether during the financial year, the Company has changed external auditor. If so, identify the incoming and outgoing auditor.

NO

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B.1.37. State whether the firm of auditors performs other work for the company and/or its group other than those of auditing. If applicable, state the fees paid for that work and the percentage in terms of the overall fees that were billed.

	COMPANY	GROUP	TOTAL
Amounts for work other than auditing (thousands of euros) * includes fees for Market listing	50	33	83
Amount for work other than auditing/total amount billed by the auditing firm in %	23,090	5,710	10,450

B.1.38. State whether the audit report on the Annual Accounts of the previous financial year has reservations or qualifications. If appropriate, state the reasons given by the Chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

YES

NO X

B.1.39 State the number of years the current auditing firm has uninterruptedly performed the auditing of the annual accounts of the Company and/or Group. Likewise, state in percentage terms the number of years the current auditing firm has been responsible for auditing the accounts.

	Company	Group
Number of uninterrupted years	8	10

	Company	Group
Number of years audited by the current auditing firm/number of years the company has been audited (%)	100,0	100,0

B.1.40 State the shares held by members of the Company's Board of Directors in the capital of firms that carry out the same, similar or complementary activities to those that are the corporate object of both the company and its group, and that have been reported to the Company. Likewise, state the posts held or duties performed at those companies:

Name or company name of Director	Name of the subject company	% share	Post or duties
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Mr Juan Planes Vila	Dispur, S.L.	51,340%	PRESIDENT
Mr Eloy Planes Corts	Dispur, S.L.	10%	DIRECTOR

B.1.41. State and, if appropriate, specify whether there is a procedure for the directors to be able to obtain external advice:

YES X

NO

Details about the procedure
<p>Pursuant to Article 24 of the Regulations of the Board of Directors, all the directors, in order to be aided in exercise of their duties, may obtain the necessary advice from the Company to perform their duties. To that end, the Company will provide the adequate channels that, under special circumstances, may include external advice at the Company's expense.</p> <p>In any case, the commission must necessarily concern the specific problems that are of a certain nature and complexity that arise in the performance of duties.</p> <p>The decision to hire must be reported to the Chairman of the Company and may be vetoed by the Board of Directors if the following is accredited:</p> <p>That it is not necessary for the full performance of the duties with which the external directors are entrusted.</p> <p>That its cost is not reasonable with regard to the importance of the problem and the assets and revenue of the company.</p> <p>That the professional advice obtained may be adequately dealt with by experts and technicians in the Company.</p>

B.1.42 State, and if appropriate, specify whether there is a procedure for directors to obtain the necessary information to prepare the meetings of the governing bodies with sufficient time in advance:

YES X

NO

Details about the procedure
<p>Article 23 of the Regulations of the Board of Directors establishes the following mechanism:</p> <p>1. Directors may request information on any matter for which the Board is responsible and to</p>

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this end may examine the books, records, documents and other documentation. The right to information includes investees, whenever this is possible.

2. The request for information must be addressed to the Secretary of the Board of Directors, who will convey it to the Chairman of the Board and the appropriate contact at the Company.

3. The Secretary will advise the director of the confidential nature of the information requested and received and of his duty to maintain confidentiality under the terms in the Regulations of the Board.

4. The Chairman may refuse to provide information if he considers (i) that it is not necessary for the full performance of the duties with which the director is entrusted or (ii) that its cost is not reasonable in view of the importance of the problem and the assets and revenue of the Company.

B.1.43 State and, if appropriate, specify whether the company has established rules that oblige the directors to notify, and if appropriate resign, in cases in which they may damage the credibility and reputation of the company:

YES X

NO

Explain the rules

Article 26 of the Regulations of the Board of Directors establishes, among other obligations of directors, that they must notify the Appointments and Remuneration Committee of their other professional obligations, in case they interfere with the dedication required.

Article 28 of the same Regulations establishes that directors may not be involved as self-employee or hired by third parties, within the same, similar or complementary scope of corporate activity, nor hold as administrators or executives of companies that compete with the Company, with the exception of the posts they might hold, if applicable, in companies belonging to the Group, except upon express authorisation from the General Shareholders' Meeting, notwithstanding what is provided in articles 227 to 229 of the Spanish Capital Companies Act.

Article 34.2 of the same Regulations establishes the obligation of directors to inform the Company of posts held on the Board of Directors of other listed companies and, in general, of facts, circumstances or situations that may be relevant to their management activities. Likewise, all directors must inform the Company in cases in which they may damage the credibility and reputation of the company and, in particular, they must inform the Board of criminal cases in which they are charged as accused, as well as the subsequent result of such proceedings.

Lastly, that same article establishes that, in the event of a director being prosecuted, or a court order being handed down to take trial proceedings against him for any of the offences stated under Article 213 of Spanish Capital Companies Act, the Board shall examine the case as soon as possible and, depending on the specific circumstances, will decide whether or not it is appropriate for the director to remain in office.

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B.1.44 State whether any member of the Board of Directors has notified the company that he has been prosecuted or had trial proceedings ordered against him, for any of the offences pursuant to Article 124 of the Stock Company Act:

YES

NO ☒ X

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B.2. Board of Directors Committees**B.2.1 List all of the committees pertaining to the Board of Directors and their members:**

EXECUTIVE OR DELEGATE COMMITTEE

Name	Position	Type
Mr Eloy Planes Corts	Chairman	Executive director
Mr Oscar Serra Duffo	Member	Nominee Director
Mr Bernat Corbera Serra	Member	Nominee Director
Bansabadell Inversió Desenvolupament, S.A.U.	Member	Nominee Director
Mr Juan Ignacio Acha-Orbea Echeverría	Member	Independent Director
Mr Bernat Garrigós Castro	Secretary member	Nominee Director

AUDIT COMMITTEE

Name	Position	Type
Bansabadell Inversió Desenvolupament, S.A.U.	Chairman	Nominee Director
Mr Juan Planes Vila	Member	Nominee Director
Mr Juan Ignacio Acha-Orbea Echeverría	Secretary - Member	Independent director

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
Mr Kam Son Leong	Chairman	Independent director
Mr Richard J. Cathcart	Member	Independent director
Mr Bernat Garrigós Castro	Secretary - Member	Nominee Director

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B.2.2 State whether the Audit Committee is responsible for carrying out the following:

	Yes	No
Supervising the drawing up and integrity of the company's and, if applicable, the group's financial statements. Ensuring that regulations are complied with, that the scope of consolidation is abided by and that accounting standards are properly applied.	X	
Regularly reviewing internal control and risk management systems in order to ensure that the main risks are properly identified, managed and made known.	X	
Ensuring that internal auditing systems are objective and efficient. Proposing the selection, appointment, re-election and dismissal of the head of the internal auditing department. Proposing the budget for this department. Receiving regular information about the department's activities. Checking that senior management takes the conclusions and recommendations in reports into account.	X	
Establishing and monitoring a system whereby employees are able to supply confidential or anonymous information about irregularities that they have detected in the company, which have potentially serious consequences, particularly with regard to financial and accounting practices.	x	
Presenting the Board with proposals for the selection, appointment, re-election and replacement of the external auditor and suggesting amendments to the auditor's contract.	x	
Receiving regular information from the external auditor about its auditing policy and the results of its application. Checking that senior management takes the auditor's recommendations into account.	X	
Ensuring the objectivity of the external auditor.	X	
Encouraging auditor to take responsibility for all of the audits that are carried out in the companies that make up the group, if applicable.	X	

B.2.3. Describe the rules governing the organisation, functions, and responsibilities of each of the Board committees.

The Board of Directors may appoint one or more Delegate Directors. Moreover, it may delegate, totally or partially, temporarily or permanently, all the powers which are subject to delegation pursuant to Law. In order to be valid, the delegation and appointment of the members of the Board to occupy such posts will require the favourable vote of two thirds of the members of the Board. Such posts will not come into effect until they have been recorded in the Company Registry.

Delegate Committee:

Without prejudice to the delegation of powers in favour of one or more delegate directors and powers of attorney that may be granted to any individual, the Board of Directors, in the same way as described in the point above, may appoint a Delegate Committee that will be made up of five directors. In as far as is possible, the Delegate Committee shall reflect the make-up of the Board in terms of the quality and balance between executive, external directors representing controlling shareholders and independent directors.

Audit Committee:

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An Audit Committee has been set up within the Board of Directors. It is made up of a minimum of three directors, non-executives and who are appointed by the Board of Directors.

Without prejudice to any other functions assigned by the Board of Directors, the Audit Committee shall have the following basic functions:

Inform the General Meetings regarding any questions raised at it that fall within its competency.

Propose the appointment of auditors or audit companies in conformity with article 264 of the Spanish Corporations Law as well as the contract conditions, the scope of the mandate and, as the case may be, the revocation or cancellation of the mandate.

Supervise the efficacy of the internal control of the Company, and in particular the Internal Control of the Financial Information the internal audit, if appropriate, and the risk management systems, and discuss with the auditors or audit companies the significant weaknesses of the internal control system detected during the audit.

Supervise the process for preparation and presentation of the regulated financial information.

Review the accounts of the Company; oversee compliance with legal requirements and the correct application of generally accepted accounting principles with the direct collaboration of internal and external auditors.

Maintain and supervise the relationships with auditors or audit companies to receive information on those matters that could jeopardize their independence, for their examination by the Committee, and any others related to the process of the audit of accounts, and those other notices contemplated by audit legislation and auditing standards.

Oversee the performance of the contract with external auditors assuring that the auditor's opinion on the financial statements and the main content of the audit report are drawn up clearly and precisely, evaluating the results of the each audit performed.

Examine compliance with the internal code of conduct, with these Regulations and, in general, with the rules are of good corporate governance of the company and make any proposals as may be appropriate for the improvement thereof.

Receive information and, when appropriate, issue reports on the disciplinary measures to be imposed on the members of the senior management team of the Company.

Similarly, the Audit Committee shall be responsible for:

With regards to IT systems and internal control:

(a) Supervise the preparation and integrity of the financial reporting process of the Company and, as the case may be, of the corporate group, assuring compliance with regulatory requirements and the appropriate establishment of the scope of consolidation and the correct application of accounting criteria.

(b) Periodically review the internal control and risk management systems to assure that the primary risks are identified, managed, and appropriately informed

(c) Assure the independence and efficiency of the internal audit function; propose the selection, appointment, re-election, and dismissal of the internal audit department manager; receive periodic information on their activities and verify that senior management takes into account the conclusions and recommendations contained in the reports.

(d) Establish and supervise a mechanism that allows employees to confidentially and anonymously notify them of any relevant anomaly or irregularity that they may notice, with special attention to finance and accounting.

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With regard to the auditor or audit company:

- (a) Propose to the Board of Directors the selection, appointment, re-election and substitution of the auditor or audit company as well as on the contract conditions.
- (b) Regularly receive information from the auditor or audit company on the audit plan and the results of its implementation and verify that senior management is taking their recommendations into account.
- (c) Assure the independence of the auditor or audit company and, for this purpose: (i) assure that the Company notifies the CNMV of any change in the auditor as a relevant event, accompanying the notification with a report on any existing disagreements with the former auditor and the content thereof; (ii) that the Company and the auditor respect the applicable rules on the provision of services other than auditing and, in general, any other rules established to assure the independence of auditors; and (iii) in the event of the resignation of the auditor or audit company, investigate the reasons.

The Audit Committee shall receive annually from the auditors or audit companies written confirmation of their independence vis-à-vis the directly or indirectly related company or companies and information on the additional services of any kind provided to such companies by such auditors or companies, or by their related persons or entities pursuant to Law 19/1988, of July 12, Audit Law.

In addition, the Audit Committee shall issue each year, prior to the issuance of an audit report, a report issuing an opinion on the independence of the auditors or audit companies. Such report shall always contain an opinion on the provision of the additional services contemplated in the above paragraph.

- (d) In the case of groups, promote that the group auditor assumed responsibility for the auditing of all companies within the group.

With regard to risk policies and management:

- (a) Identify the different types of risk (operating, technological, financial, legal, image) faced by the Company including risks arising from contingent liabilities and other off-balance-sheet risks.
- (b) Identify the acceptable level of risk established for the Company.
- (c) Identify the measures established for the mitigation of identified risks.
- (d) Identify the information and internal control systems to be used for managing and controlling identified risks, including contingent liabilities and off-balance-sheet risks.

With regard to the obligations of publicly-traded companies:

Provide information to the Board of Directors so that it may adopt appropriate decisions regarding:

- (a) The financial information that the Company, as a publicly traded company, must periodically release. The Audit Committee must assure that interim financial statements apply the same accounting criteria as to the annual financial statements and, to this end, consider the appropriateness of a limited review by the auditor or audit committee.
- (b) The creation or acquisition of an equity interest in special-purpose vehicles or entities domiciled in countries or territories considered as tax havens, and any other transaction or operation of a similar nature which due to its complexity could lessen the transparency of the group.

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- (c) Operations with affiliates, unless this function has been assigned to a different supervision and control committee.
- (d) Transactions which may imply a conflict of interest.

Appointments and Remuneration Committee:

An Appointments and Remuneration Committee has also been set up within the Board of Directors. It is made up of a minimum of three external directors, the majority of whom are independent and who are appointed by the Board of Directors.

The Appointments and Remuneration Committee, notwithstanding any other duties which might be assigned to it by the Board of Directors, will carry out the following basic duties:

Prepare and review the criteria to be followed in establishing the composition of the management team of the Company and its subsidiaries and for the selection of candidates.

Evaluate the competencies, knowledge and experience needed by the Board and define the functions and skills needed by candidates to fill each vacancy, evaluating the time and dedication needed for the proper performance of the function.

Inform and propose to the Board of Directors all appointments and dismissals of senior management and executives as proposed by the chief executive officer for the approval of the Board of Directors.

Inform the Board of Directors on matters relating to gender diversity and the qualifications of directors pursuant to article 6.2 of these Regulations.

Propose to the Board of Directors: (i) the remuneration policy for directors and senior management; (ii) the individual remuneration of the executive directors and other conditions of their contracts; (iii) hiring policies and basic conditions of the senior management employment contracts of the Company.

Examine and appropriately organise the succession of the Chairman and First Executive and, when appropriate, advise the Board in order to assure that such successions occur in an organised and planned manner.

Assure that the established remuneration policy is observed by the Company and the transparency of all remuneration.

B.2.4. State, if applicable, the advisory powers and, if applicable, powers that have been delegated to each of the committees: SEE THE ABOVE POINT

B.2.5. State, if applicable, whether there are regulations to which the Board's committees are subject, and if so, where they are available for consultation and any amendments made to them during the financial year. Likewise, state whether any non-mandatory annual reports have been issued concerning the activities of each committee.

Committee Name

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief Description

Committee is regulated by the Regulations of the Board of Directors, which is published both by the CNMV and on the Company's website.

The Company has voluntarily prepared an annual report regarding the Appointments and Remuneration Committee.

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On April 27th, 2011 it was partially amended article 14 of the Board of Directors Regulations regarding the Appointments and remuneration Committee.

Committee Name

DELEGATE COMMITTEE

Brief Description

Committees are regulated by the Regulations of the Board of Directors, which is published both by the CNMV and on the Company's website.

On April 27th, 2011 it was partially amended article 12.5 of the Board of Directors Regulations regarding the Appointments and remuneration Committee.

Committee Name

AUDIT COMMITTEE

Brief Description

Committee is regulated by the Regulations of the Board of Directors, which is published both by the CNMV and on the Company's website.

The Company has voluntarily prepared an annual report regarding the Audit Committee.

On April 27th, 2011 it was partially amended article of the Board of Directors Regulations regarding the Appointments and remuneration Audit Committee. Likewise, on June 8th 2011, it was amended article 46 of the Articles of Association with respect to the Audit Committee

B.2.6. State whether the make-up of the executive committee reflects the Board Member's responsibilities according to their posts:

Yes.

C. TRANSFER PRICING

C.1 State whether subsequent to a favourable report by the Audit Committee or any other body entrusted to draw one up, the Board reserves the right to approve the transactions that the Company carries out with its directors, significant shareholders or shareholders represented by the Board, or individuals related to them at its plenary sessions:

☒ Yes

☐ No

C.2 Describe any relevant transactions that entail a transfer of resources or obligations between the Company or its subsidiaries, and the Company's significant shareholders:

Name	or	Name	or	Nature of the	Type	of	Amount
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company name of the significant shareholder	company name of the company or organisation in the group	relationship	transaction	(thousands of Euros)
BOYSER, S.L.	ASTRAL PISCINE SAS	Commercial, Boyser together with Dispur, Edrem and Aniol through Iberspa	Sale of tangible, intangible and other assets	684
BOYSER, S.L.	EUROPEENNE DE COUVERTURE AUTOMATIQUE E.C.A., S.A.R.L.	Contractual, Boyser together with Dispur, Edrem and Aniol through Stick Immobiliere	Leases	625
BOYSER, S.L.	FLUIDRA ESPAÑA, SAU	Commercial, Boyser together with Dispur, Edrem and Aniol through Iberspa, SL	Purchase of goods (finished or in progress)	1,270
BOYSER, S.L.	METALAST, SAU	Contractual, Boyser together with Dispur, Edrem and Aniol through Constralsa	Leases	828

C.3 Describe any relevant transactions that entail a transfer of resources or obligations between the Company or its subsidiaries, and the Company's administrators or directors:

Name or company name of the administrators or directors	Name or company name of the company or organisation in the group	Nature of the relationship	Type transaction	Amount of (thousands of euros)
---	--	----------------------------	------------------	--------------------------------

BANC INVERSIO I DESENVOLUPAMENT, S.L.	SABADELL Fluidra S.A.	Remuneration	Other expenses	98
BERNAT SERRA	CORBERA Fluidra S.A.	Remuneration	Other expenses	90
BERNAT CASTRO	GARRIGOS Fluidra S.A.	Remuneration	Other expenses	88

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ELOY PLANES CORTS	Fluidra S.A.	Remuneration	Other expenses	426
GRUPO CORPORATIVO EMPRESARIAL DE CAJA DE AHORROS Y M DE PIEDAD DE NAVARRA	Fluidra S.A.	Remuneration	Other expenses	68
JUAN IGNACIO ACHA- ORBEA	Fluidra S.A.	Remuneration	Other expenses	100
ECHEVERRIA				
JUAN PLANES VILA	Fluidra S.A.	Remuneration	Other expenses	114
KAM SON LEONG	Fluidra S.A.	Remuneration	Other expenses	88
OSCAR SERRA DUFFO	Fluidra S.A.	Remuneration	Other expenses	90
RICHARD J CATHCART	Fluidra S.A.	Remuneration	Other expenses	90

C.4 Describe any relevant transactions that the Company performed with other companies belonging to the group, provided they are not cancelled out in the consolidated financial statements and that they do not form part of the Company's normal scope of business operations:

C.5 State, if applicable, any circumstances in which company directors were involved that may constitute a conflict of interest, pursuant to the provisions of Article 127.3 of the Limited Companies Act.

☐ Yes

☒ No

C.6 Describe the mechanisms in place to detect, determine and resolve possible conflicts of interest between the Company and/or its group and its directors, managers and significant shareholders.

. In accordance with the provisions in the Regulations of the Board of Directors, members must notify the Board of Directors of any cases of conflict of interest and refrain from attending or intervening in deliberations that affect affairs in which they may have a personal interest.

It is also considered that a director has a personal interest when a matter affects any of the following individuals: spouse or person with whom there is a similar relationship; ascendants, descendants and siblings and their respective spouses or persons with whom there is a similar relationship; and individuals, companies or organisations over which any of the persons mentioned above may have a significant influence.

In the case of directors that are corporate entities, it shall be understood that they are individuals related to the following: shareholders who find themselves in any of the situations described in Article 4 of Act 24/1988 on Stock Markets, of 28 July; de facto or de jure directors, receivers and proxies with general power of attorney for directors who are corporate entities; the companies and their shareholders that belong to the group, as defined in Article 4 of Act 24/1988 on Stock Markets, of 28 July. The Directors may not use the Company's name or act in their capacity as Directors to carry out transactions on their own behalf or for related individuals.

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Directors may not directly or indirectly carry out professional or trading transactions with the Company unless prior notice has been given of a possible conflict of interest and the Board approves the transaction.

Transactions that are part of the Company's ordinary business and that are of a habitual and recurring nature may be carried out providing the Board of Directors has issued a general authorisation to do so.

In accordance with Article 10 of the Internal Regulations on Conduct, the following is set out with regard to conflicts of interest:

Liable Individuals subject to conflicts of interest must abide by the following general principles of conduct:

Independence: Liable Individuals must at all times act fairly and loyally to the Company and its shareholders, regardless of their own interests or those of third parties. Therefore, they shall abstain from placing their own interests before those of the Company or other investors at the expense of others.

Abstention: They must abstain from intervening in or influencing any decisions taken that may affect individuals or organisations with which there are conflicts of interest and from accessing any Relevant Information that may have a bearing on such conflicts.

Notification: Liable Individuals must notify the Director of the Company's Legal Department of any possible conflicts of interest to which they may be subject as a result of their activities outside the Company, their family ties, their personal assets, or any other interests they may have in:

The Company or any of the companies that belong to the Fluidra Group.

The suppliers or major customers of the Company or any of the companies that belong to the Fluidra Group.

Organisations that are devoted to the same line of business or that are competitors of the Company or any of the companies that belong to the Fluidra Group.

Any doubts as to a possible conflict of interest must be addressed to the Director of the Company's Legal Department and the final decision will rest with the Audit Committee.

A conflict of interest arises if Liable Individuals fulfil any of the following conditions with regard to the organisations mentioned in this article.

(i) They are directors or senior managers.

They have a significant shareholding (the latter being understood, in the case of listed companies on any official secondary market in Spain or abroad, as that defined in article 53 of the LMV (Stock Exchange Act) and any other legislation that may apply, and in the case of unlisted Spanish or foreign companies, any direct or indirect holding over and above twenty per cent of the equity issued).

They have a family tie to the second degree of affinity or to the third degree by blood with the directors, significant shareholders or senior managers.

They have a relevant contractual relationship, either directly or indirectly.

C.7. Is more than one of the Group's companies listed in Spain?

YES

NO X

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D. RISK CONTROL SYSTEMS

D.1 General description of the risk policy of the company and/or its group. Provide details and assess the risks covered by the system. Justify the adequacy of these systems with regard to the profile of each kind of risk.

The Company updated a risk assessment that had been conducted to identify and assess the group's business risks in view of its activity and the current climate, as well as the controls associated with these risks. The risk assessment took into consideration strategic, financial, operational and unforeseeable risks. Following the assessment, the main business risks were identified and were prioritised based on the probability that they would occur and on the impact or effect that they could have on the company. The controls on risk that the Company has in place were also identified. They were classified based on their level of effectiveness and those that had to be strengthened were identified in order to improve the risk profile. As a result of this assessment, the risk map was updated and the assessment placed particular emphasis on the risks classified as high and/or those which were subject to weak controls.

Additionally, the critical risks identified in the last update of the risk map were analysed in depth in terms of the recommendations and action plans suggested in previous reviews, as well as in terms of their status.

A schedule was agreed on with Senior Management to continue working on the project during the 2012 and 2013 business years, and to update the risk map for 2012. In line with this schedule, work continued on the assessment of the internal information and control systems used to monitor and manage the risks identified, the measures anticipated to mitigate their impact should they materialise in order to ensure an acceptable level of risk and identify off-balance sheet contingent liabilities and/or risks.

Furthermore, the Company worked on the implementation of the recommendations of the diagnosis reached during the first four-month period of 2011 on Financial Information Control Systems, based on the new regulations and recommendations of the Spanish Securities Commission.

It is important for the Company to identify the improvements to these measures and controls in order to improve current risk management practices and make them more efficient and effective.

D.2 State whether any of the different types of risks have materialised (operational, technological, financial, legal, reputation, tax, etc.) that affect the company and/or its group:

☐ Yes

☒ No

If affirmative, state the circumstances that have given rise to these and whether the control systems established have worked.

Risk materialised in the financial year	Circumstances that gave rise to it	Operation of the control systems
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D.3 State whether there is any committee or other governing body responsible for establishing and monitoring these control devices:

Yes

If affirmative, detail what their duties are.

Name of the committee or body:

Audit Committee

Description of duties:

The responsibilities that arise from the Company's risk management control mechanism are as follows:

Related to risk policies and management:

Identifying the various types of risk (operational, technological, financial, legal, reputational) that the Company faces, including contingent liabilities and other off-balance sheet risks.

Identifying the set level of risk that the Company considers acceptable.

Identifying the measures foreseen to mitigate the impact of the risks identified should they actually arise.

Identifying the information and internal control systems that monitor and manage these risks, including contingent liabilities and off-balance sheet risks.

Related to the obligations of a listed company:

Giving the Board prior notice that it should adopt the corresponding decision on transfer pricing operations and any transactions that involve or may involve a conflict of interest.

Description of functions

The responsibilities that arise from the Committee's risk management control mechanism are as follows:

In relation to policy and risk management

- To identify the various types of risk (operational, technological, financial, legal, reputational) that the Company faces, including contingent liabilities and other off-balance sheet risks in the case of financial and economic risks.
- To identify the level of risk the Company considers acceptable.
- To identify the measures anticipated to reduce the impact of the risks identified should they occur.
- To identify the internal information and control systems that will be used to monitor and manage these risks, including off-balance sheet contingent liabilities and risks.

In relation to the obligations inherent to the Company

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To inform the Board of Directors, prior to it adopting the corresponding decisions on:

- Periodic financial information released for public records. The Committee must ensure that the interim annual accounts are drawn up following the same accounting criteria as the annual accounts and decide whether a limited review is required by the auditor or auditing firm of the accounts.
- The creation or acquisition of entities or transactions or operations conducted in tax havens that may undermine the transparency of the group.
- Transfer pricing operations, unless the task of drawing up a preliminary report has been assigned to a committee other than the Follow-Up and Control Committees.
- Any operations that involve or may involve conflicts of interest.

Name of the committee or body:

Body Responsible for the Fulfilment of Regulations

Description of duties:

Fulfilment of regulations on obligations as a listed company

Management of risks derived from the listing

D.4 Identification and description of the processes to comply with the various regulations that affect the company and/or its group.

All the processes and controls that are essential to ensuring compliance with the various regulations that significantly affect the group have been implemented. The processes are set out in detail in the Regulations of the General Shareholders Meeting, the Regulations of the Board of Directors and the Internal Code of Conduct, about which comments have been made in Section B of this report. At the close of this report, no incidents had been detected.

E . GENERAL SHAREHOLDERS MEETING

E.1 State, and if applicable describe, whether the quorum required to hold a General Shareholders' Meeting differs in any way to the provisions set out in the Limited Companies Act (LSA).

YES

x NO

	Difference in % of the quorum compared to Art. 102 of the LSA for general budget meetings	Difference in % of the quorum compared to Art. 103 of the LAS for special budget meetings
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Quorum required for the 1 st call	N/A	N/A
Quorum required for the 2 nd call	N/A	N/A

Description of differences
NOT APPLICABLE

E.2 Explain the system for adopting corporate resolutions. Describe any differences with regard to the system provided for in the Limited Companies Act (LSA):

YES

X NO

E.3 List any of the shareholders' rights at general meetings that are different to those provided for in the LSA.

N/A

E.4 If applicable, state the measures adopted to encourage shareholders to attend the general meetings.

N/A

E.5 State whether the post of chairman for the General Shareholders' Meeting is held by the Chairman of the Board of Directors. If applicable, provide details about the measures in place to insure the objectivity and smooth running of the General Meeting:

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X YES

NO

Describe the measures
<p>According to Article 16 of the Regulations of the General Shareholders' Meeting, it shall be chaired by the chairman of the Board of Directors or, in his absence, by the Vice-chairman, and in the absences of both, by a member of the Board of Directors that the General Meeting designates.</p> <p>Measures for guaranteeing the objectivity and smooth running of the General Meeting:</p> <p>The Regulations of the General Shareholders' Meeting were approved at the meeting held on September 5th 2007. A set of measures were included in these regulations to ensure the objectivity and smooth running of General Meetings.</p> <p>These Regulations are available on the Company's website.</p>

E.6 Describe, if any, the amendments made over the year to the regulations that govern General Shareholders' Meetings.

Amendment of the Preamble and articles 4th (types of Shareholders Meetings), 5th (Competence scope of the General Meeting), 6th (Notice of General Meeting), 7th (Notice of call), 8th (Provision of information from the date of the call on the Company website), 9th (Right to information prior to the holding of the General Meeting), 12th (Proxys), 13th (Public proxy request), 15th (Setting up of the General Meeting. Special events), 22nd (Right to information during the holding of the General Meeting), 25th (Voting on the proposed resolutions) and 27th (Minutes of General Meeting) of the Regulations of the General Shareholders Meeting of for its accomodation to the new text of the Articles of Association and its adjustment to the amendments (i) the Consolidated text of the Spanish Capital Companies Act, approved by Royal Legislative Decree 1/2010 on July 2, and (ii) by the Spanish Law 12/2010 approved on June 30, amending Financial Audit Law 19/1988 approved on July 12; Stock Market Law 24/1988 approved on July 28; and the Consolidated text of the Corporations Law approved by the Royal Decree 1564/1989 on December 22, in order to adjust the text to the UE Community regulations and to introduce certain technical improvements. Revocation of the current General Shareholder's Meeting Regulation and approval of a new text of such Regulation.

E.7 Provide attendance figures for the general meetings held over the year to which this report refers:

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Date of General Meeting	Attendance figures				
	% physically present	% by proxy	% Distance voting		Total
			Electronic votes	Other	
8.06.2011	0,134	79,827	0,000	0,000	79,961

N/A

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E.8 Give a brief description of the agreements adopted at the general shareholders' meetings held over the year to which this report refers and the percentage of votes cast for the adoption of each vote.

- | | |
|--------|--|
| One: | Review and approval, if required, of the annual accounts and the management report, both of the Company and its consolidated group of companies, corresponding to the tax year ended at 31 December 2010. (99,9989%) |
| Two: | Application of the results of year ended at 31 December 2010. (99,9989%) |
| Three: | Distribution of dividends against voluntary reserves. (99,9993%) |
| Four: | Review and approval, if required, of the Board of Director's management over the 2010 business year. (99,9987%) |
| Five: | Re-election of the accounts auditor, both of the Company and its consolidated group of companies. (99,9989%) |
| Six: | Putting the remuneration of the directors in the annual report to a vote of confidence at the AGM. (95,8246%) |
| Seven: | Re-election of directors (99,3952%) |
| Eight: | Amendment of articles 8 (Shareholder status. Inherent rights to this status); 10 (Usufruct of shares); 11 (Pledge of shares); 14 (Share capital calls); 18 (Capital decrease); 20 (Convertible and exchangeable securities); 24 (Types of AGM); 25 (Calls for AGMs); 27 (Incorporation); 29 (Attending AGMs by proxy); 30 (Right to information); 33 (Deliberation and adoption of resolutions); 34 (AGM minutes); 37 (Term of posts). Director's statutes); 42 (Meeting proceedings); 46 (Audit Committee. Members, powers and functions); 48 (Corporate website); 51 (Annual accounts); 52 (Contents of the annual accounts); 56 (Filing of the annual accounts); 57 (Appropriation of annual results); 58 (Amounts on account of dividends); 29 (Dissolution clauses); 60 (Liquidation); and 61 (Prohibitions and conflict of interest). These articles are to be adapted to the amendments made by (i) the consolidated text of the Capital Companies Act, passed by Royal Legislative Decree 1/2010, of 2 July; and (ii) by Act 12/2010, of 30 June, which amended Act 19/1988, of 12 July, on Account Auditing, Act 24/1988, of 28 July, on the Securities Market, and the consolidated text of the Public Limited Companies Act, passed by Royal Legislative Decree 1564/1989, of 22 December. These acts were amended to adapt to EU regulations, and to introduce certain technical improvements. The current Articles of Association were withdrawn and their new wording in full passed. (99,9989%) |
| Nine: | Amendment to the Preamble and to Articles 4 (Types of AGM); 5 (Powers of the AGM); 6 (Calls for AGMs); 7 (Notice of calls); 8 (Availability of information from the date of calls on the corporate website); 9 (Right to information prior to the AGM being held); 12 (Proxies); 13 (Public applications for proxies); 15 (Members of the AGM. Special cases); 22 |

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(Right to information while the AGM is being held); 25 (Votes on proposed resolutions); and 27 (AGM minutes) of the AGM Regulations so that it can be adapted to the amendments made to (i) the consolidated text of the Capital Companies Act, passed by Royal Legislative Decree 1/2010, of 2 July; (ii) by Act 12/2010, of 30 June, which amended Act 19/1988, of 12 July, on Account Auditing, Act 24/1988, of 28 July, on the Securities Market; and the consolidated text of the Public Limited Companies Act, passed by Royal Legislative Decree 1564/1989, of 22 December. These acts were amended to adapt to EU regulations, and to introduce certain technical improvements. The current Articles of Association were withdrawn and their new wording in full passed. (99,9989%)

- Ten: Authorisation for the Company to proceed with the buyback of its treasury stock, directly or through companies in the group, as well as through their disposal, and with the express powers to decrease the share capital to amortise treasury stock, for which the Board of Directors is granted the powers required to execute the resolutions adopted by the AGM on this matter, which renders the previous authorisation void and grants authorisation, if applicable, to use the portfolio of treasury stock in the execution or hedge of compensation plans. (95,8933%)
- Eleven Granting of powers of attorney to enter into, interpret, amend and execute the agreements adopted by the AGM. (99,9993%)

E.9 State whether any of the articles of association set out a minimum number of shares as a requirement to attend the General Shareholders' Meeting:

No

E.10 Describe and justify the policies followed by the Company with regard to voting by proxy at the General Shareholders' Meeting.

All shareholders who are entitled to attend General Meetings may vote by a proxy, who does not necessarily have to be a shareholder, at the General Meetings. Votes cast by proxy must be done so in accordance with the requisites and formalities set out in the act, in Article 29 of the Articles of Association and in Article 12 of the Regulations of the General Shareholders' Meeting.

All votes cast by proxy shall be certified by means of an attendance card or a letter, which in both cases must bear the original signature of the person represented. The document that certifies voting by proxy must contain the following information: the date of the General Meeting and its agenda; the identity of the person represented and the proxy, although in the event that no proxy is specified, it shall be understood that voting rights have been granted to either the chairman of the Board of Directors, the managing director or the secretary of the Board of Directors; the number of shares the shareholder has and instructions as to how the proxy should vote for each of the items that are on the agenda.

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Should public requests be made to be represented by proxy, in addition to the items mentioned in the paragraph above, the document that designates the proxy must contain an indication as to how the proxy should vote if precise instructions are not provided.

Voting by proxy may also be granted by post providing the Company is sent an attendance and vote card that must have been obtained from and issued by the organisation or organisations responsible for recording the entry of shares in the corresponding register. Other written means may be used that have been approved by the Board of Directors, and providing prior permission to do so has been obtained. If other such means are used, it must be possible to check the identity of the shareholder who votes by proxy in this way.

E. 11 State whether or not the Company is aware any policies of institutional investors to participate or in Company decisions:

Negative reply

E.12 State the address and access route to the contents the corporate governance regulations of your Website.

www.fluidra.com

Go to the SHAREHOLDERS AND INVESTORS section and a CORPORATE GOVERNANCE submenu will appear.

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F DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of compliance with the recommendations given in the unified code of good governance.

In the event of failure to comply with any such recommendations, explain the recommendations, standards, practices or criteria applied by the company.

1. The articles of association of listed companies should not limit the maximum number of votes that can be issued by the same shareholder or contain other restrictions that prevent the company from being taken over through the purchase of its shares on the market.

See epigraphs: A.9, B.1.22, B.1.23 and E.1, E.2.

Complies ☒ Explain ☐

2. When the parent company and the subsidiary are listed, they must both publicly define the following in detail:

Their respective activity areas and possible business relations between them, as well as those of the listed subsidiary with the other companies in the group;

The mechanisms laid down to solve possible conflicts of interests as they arise.

See epigraphs: C.4 and C.7

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒

3. Although it is not expressly required in mercantile legislation, they should submit the transactions that involve a modification to the company's structure for approval by the General Shareholders Meeting, especially the following:

The change of listed companies into holding companies through "subsidiarisation" or the incorporation into entities dependent on essential activities carried out until then by the company itself, even though the said company maintains full control over them;

The acquisition or transfer of essential operating assets when there is an actual modification of the corporate purpose;

The transactions whose effect is equivalent to that of the company's liquidation.

Complies ☒ Complies partially ☐ Explain ☐

4. The detailed proposals of the agreements to be adopted by the General Shareholders Meeting, including the information referred to in recommendation 28, should be published with the publication of the announcement of the call to the meeting.

Complies ☒ Explain ☐

5. In the General Shareholders Meeting, the matters that are substantially independent must be voted separately so that shareholders can exercise their voting preferences separately. And the said rule should be applied, in particular:

On the appointment or ratification of the members of the board, which should be voted individually;

In the case of modifications to the articles of association, each article or group of articles that is substantially independent.

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See epigraph: **E.8**

Complies x Complies partially ☐ Explain ☐

6. The companies should allow the division of the vote so that the financial brokers legitimated as shareholders but acting on behalf of different clients can issue their votes in accordance with the instructions given by the said clients.

See epigraph: **E.4**

Complies x Explain ☐

7. The board should carry out its functions on the basis of a unified purpose and independence, giving the same treatment to all the shareholders and following the company's interest, understood as maximising the company's economic value in a sustained manner.

It should also ensure that, in its relations with the stakeholders, the company observes legislation and regulations; fulfils its duties and contracts in good faith; observes the uses and good practices of the sectors and territories in which it operates; and observes the additional principles of corporate liability it has voluntarily accepted.

Complies x Complies partially ☐ Explain ☐

8. As the core of its mission, the board should adopt the company's strategy and the organisation required for its implementation, as well as supervising and controlling the management's fulfilment of targets and observance of the company's corporate interest and purpose. Accordingly, in its plenary session, the board reserves the power to adopt the following:

The company's general strategies and policies, in particular:

i) The strategic or business plan, as well as management targets and annual budgets;

The investment and finance policy;

The definition of the structure of the group of companies;

The corporate governance policy;

The corporate liability policy;

The salary policy and appraisal of senior management performance;

The risk management and control policy, as well as the regular monitoring of internal information and control systems.

The dividend policy, as well as the treasury stock policy and, in particular, its limits.

See epigraphs: **B.1.10, B.1.13, B.1.14 and D.3**

The following decisions:

On the proposal of the company's chief executive, the appointment and removal of senior managers, as well as their severance clauses.

See epigraph: **B.1.14.**

The salaries for the members of the board, as well as, in the case of executives, the additional payment for their executive functions and other conditions to be observed in their contracts.

See epigraph: **B.1.14.**

The financial information which, due to its status as a listed company, it has to publish on a regular basis.

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The investments or transactions of all kinds which, owing to their high amount or special characteristics, are of a strategic nature, unless their approval corresponds to the General Shareholders Meeting;

The creation or acquisition of shares in entities with special purposes or domiciled in countries or territories that are considered as tax havens, as well as whatsoever other similar transaction or operation which, owing to its complexity, could undermine the group's transparency.

The transactions completed by the company with members of the board, important shareholders or shareholders represented on the board or with related individuals ("related transactions").

However, this authorisation by the board should not be considered necessary for the related transactions that meet the following three conditions:

1. They are carried out by virtue of contracts whose terms and conditions are standardised and applied generally to many clients;
2. They are carried out at prices or rates generally established by the person acting as the supplier of the good or service in question;
3. Their amount does not exceed 1% of the company's annual revenue.

It is recommended that the board should approve the related transactions after a favourable report has been issued by the Audit Committee or, where applicable, any other party to which that function has been commissioned; and, besides not exercising or delegating their right to vote, the members of the board who are affected should leave the meeting room while the board deliberates and votes on the matter.

It is recommended that it should not be possible to delegate the powers attributed to the board here, except for those mentioned in paragraphs b) and c), which may be adopted in emergencies by the Delegate Commission and subsequently ratified by the board in its plenary session.

See epigraphs: C.1 and C.6

Complies x Complies partially ☐ Explain ☐

9. The board should have the necessary size for effective, participatory operation, which means that it should not have fewer than five or more than fifteen members.

See epigraph: B.1.1

Complies x Explain ☐

10. The external directors representing controlling shareholders and independent directors should represent a broad majority of the Board and the number of executive directors should be the required minimum, taking into account the complexity of the corporate group and the percentage of interest of the executive directors in the company's capital.

See epigraphs: A.2, A.3, B.1.3 and B.1.14.

Complies x Complies partially ☐ Explain ☐

11. If there is an external director who cannot be considered as either an external director representing controlling shareholders or an independent director, the company should explain the said circumstance and his association either with the company or its managers, as well as with its shareholders.

See epigraph: B.1.3

Complies x Explain ☐ Not applicable ☐

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12. Among the external directors, the ratio between the number of external directors representing controlling shareholders and the independent directors should reflect the proportion between the company's share capital represented by the external directors representing controlling shareholders and the rest of the share capital.

This criterion of strict proportionality could be reduced as the weight of the external directors representing controlling shareholders is greater than that which would correspond to the total percentage of the share capital they represent:

1. In companies with a high level of capitalisation, when the shares that are legally considered as significant are zero or low-level, but where shareholders exist, with blocks of shares of high absolute value.

2. When it is a question of companies in which there is a plurality of shareholders represented on the Board who are not related between them.

See epigraphs: B.1.3 , A.2 and A.3

Complies x Explain ☐

13 The number of independent directors should represent at least one third of the total number of directors.

See epigraph: B.1.3

Complies Explain x

Board is composed of 10 members out of which 3 are independent board members.

14. The nature of each director must be explained by the Board before the General Shareholders Meeting that is to carry out or ratify his appointment, which should be confirmed or reviewed annually, as appropriate, in the annual report on corporate governance, with prior confirmation by the Appointments Committee. The said report should also explain the reasons why external directors representing controlling shareholders have been appointed at the request of shareholders whose holding is less than 5% of the share capital; and reasons should be given for the rejection, where applicable, of formal requests for presence on the Board from shareholders whose holding is equal to or higher than that of others at whose request external directors representing controlling shareholders have been appointed.

See epigraphs: B.1.3 and B.1.4

Complies x Complies partially ☐ Explain ☐

15. When the number of female directors is zero or almost zero, the board should explain the reasons and the initiatives adopted to correct the said situation; in particular, the Appointments Committee should ensure that, when new vacancies arise:

The selection process does not involve implicit bias that prevents the selection of female directors

The company should deliberately look for and include among potential candidates women that comply with the professional profile being sought.

See epigraphs: B.1.2, B.1.27 and B.2.3.

Complies x Complies partially Explain ☐ Not applicable ☐

16. As the person responsible for the effective operation of the Board, the Chairman should ensure that the directors receive sufficient information beforehand; stimulate debate and the active participation of the directors during the board's sessions, safeguarding his free

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standpoint and opinion; and organise and coordinate with the chairmen of the relevant commissions the regular assessment of the board, as well as that of the CEO or chief executive, where applicable.

See epigraph: B.1 42

Complies x Complies partially ☐ Explain ☐

17. When the Chairman of the Board is also the company's chief executive, one of the independent directors should be empowered to request the call to meeting of the Board or the inclusion of new matters on the agenda; coordinate and echo the concerns of the external directors; and direct the Board's assessment of its Chairman.

See epigraph: B.1.21

Complies ☐ Complies partially ☐ Explain ☐ Not applicable x

18. The Secretary of the Board should make sure, in particular, that the board's actions:

- a) Comply with the content and spirit of legislation and the corresponding regulations, including those adopted by the regulating bodies;
- b) Comply with the company's articles of association and with the regulations of the General Shareholders Meeting, the Board and other company regulations;
- c) Take into account the recommendations on good governance laid down in the unified code accepted by the company.

And, in order to safeguard the Secretary's independence, impartiality and professionalism, his appointment and removal must be reported by the Appointments Committee and approved by the Board in its plenary session; and the said appointment and dismissal procedure must be laid down in the Board regulations.

See epigraph: B.1.34

Complies x Complies partially ☐ Explain ☐

19. The board should meet as regularly as necessary to carry out its functions effectively, following the schedule of dates and business laid down at the beginning of the year, where each director may propose other business for the agenda not considered initially.

See epigraph: B.1.29

Complies x Complies partially ☐ Explain ☐

20. The non-attendance of the directors should be reduced to essential cases and quantified in the annual corporate governance report. And if representation is essential, it must be designated with instructions.

See epigraphs: B.1.28 and B.1.30

Complies x Complies partially ☐ Explain ☐

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21. When the directors or the Secretary express concern for any proposal or, in the case of the directors, for the company's progress and the said concern is not resolved by the board, it should be recorded in the minutes of the meeting at the request of the person expressing the said concern.

Complies x Complies partially ☐ Explain ☐ Not applicable ☐

22. In its plenary session, the board should assess the following once a year:

The quality and efficiency of the board's operations;

Based on the report issued by the Appointments Committee, the functions carried out by the Chairman of the Board and the company's chief executive;

The running of its Committees, based on the reports they issue.

See epigraph: B.1.19

Complies x Complies partially ☐ Explain ☐

23. All the directors should be able to exercise the right to compile any additional information they consider necessary on business that falls within the remit of the Board. And, unless the articles of association or the regulations of the board lay down otherwise, they should address their requirement to the chairman or secretary of the board.

See epigraph: B.1.42

Complies x Explain ☐

24. All the directors have the right to obtain the advice they need for the fulfilment of their functions from the company. The company should lay down the appropriate ways of exercising this right, which, under special circumstances, could include external advisory services on the company's account.

See epigraph: B.1.41

Complies x Explain ☐

25. The company should establish a guidance programme to provide new directors with rapid and sufficient knowledge of the company, as well as its rules on corporate governance. They should also offer directors programmes for updating their knowledge when circumstances so recommend.

Complies x Complies partially ☐ Explain ☐

26. The company should require the directors to devote the time and effort necessary for carrying out their function effectively and, consequently:

The directors should report to the Appointments Committee on their other other professional duties in case they interfere with the required devotion;

The companies should lay down rules on the number of boards on which their directors can sit.

See epigraphs: B.1.8, B.1.9 and B.1.17

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Complies Complies partially ☐ Explain x

The number of Board of Directors on which the directors can sit, has not been ruled.

27. The proposal for the appointment or re-election of directors raised by the Board to the General Shareholders Meeting, as well as their provisional appointment by co-optation, should be approved by the board:

At the proposal of the Appointments Committee, in the case of independent directors.

After a report issued by the Appointments Committee, in the case of the other directors.

See epigraph: B.1.2

Complies x Complies partially ☐ Explain ☐

28. The companies should publish the following information about their directors on their website and keep the said information up-to-date:

a) Professional and biographical profile

b) Other boards on which they sit, whether the companies are listed or not;

c) Indication of the category of director to which they belong, where applicable, indicating, in the case of the external directors representing controlling shareholders, the shareholder they represent or with whom they are related.

d) Date of their first appointment as a director of the company, as well as of the subsequent appointments; and

e) The shares they own in the company and the stock options over the said shares.

x Complies ☐ Explain

29. The independent directors should not remain as such for a continued term of more than 12 years.

See epigraph: B.1.2

Complies x Explain ☐

30. The external directors representing controlling shareholders should present their resignation when the shareholder they represent sells all his shares in the company. They should also present their resignation, in the corresponding number, when the said shareholder lowers his shares in the company to a level that requires a reduction in the number of his external directors representing controlling shareholders.

See epigraphs: A.2, A.3 and B.1.2

Complies x Complies partially ☐ Explain ☐

31. The Board of Directors should not propose the removal of any independent director before the fulfilment of the statutory term for which he has been appointed, except when there is just cause, understood as such by the Board after a report issued by the Appointments Committee. In particular, just cause shall be understood as applicable when the director is in breach of the duties inherent to his post or has entered into any of the circumstances laid down in epigraph 5 of section III on definitions in this code.

The removal of independent directors resulting from takeover bids, mergers or other similar corporate transactions that represent a change to the company's share capital structure could be proposed when the said changes to the structure of the board are brought about by the criterion of proportionality indicated in Recommendation 12.

See epigraphs: B.1.2, B.1.5 and B.1.26

Complies x Explain ☐

32. The company should establish rules that oblige the directors to report and, where applicable, resign in cases that can damage the company's reputation and credit and, in particular, oblige them to inform the board of the criminal cases in which they appear as an accused party, as well as their subsequent procedural events.

If a director is tried or a sentence is issued against him for the commencement of a hearing for any of the crimes laid down in article 124 of the Spanish Public Limited Companies Act, the Board should examine the case as soon as possible and, in view of the specific circumstances, decide whether or not it is fitting for the director to continue in his post. And, the Board should give a reasoned account of all the events in the Annual Corporate Governance report.

See epigraphs: B.1.43, B.1.44

Complies x Complies partially ☐ Explain ☐

33. All the directors should clearly express their opposition when they consider that any proposed decision submitted to the Board may be contrary to the company's interests. And this should apply especially to the independent directors and other directors not affected by the potential conflict of interest in the case of decisions that may damage the shareholders not represented on the Board.

When the Board adopts significant or reiterated decisions on which the director has formulated serious reservations, the said director should draw the corresponding conclusions and, if he decides to resign, explain the reasons in the letter referred to in the following recommendation.

The scope of this recommendation also includes the Secretary of the Board, even though he does not have the status of director.

Complies x Complies partially ☐ Explain ☐ Not applicable ☐

34. When, either due to resignation or any other reason, a director abandons his post before the end of his mandate, he should explain the reasons in a letter sent to all the members of the Board. And, without prejudice to the said resignation being notified as a relevant event,

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the reason for the resignation should be accounted for in the Annual Corporate Governance report.

See epigraph: B.1.5

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒ X

35. According to internal standards, there is no obligation to include the reason for the resignation in the Annual Report.

The salary policy approved by the Board should indicate at least the following:

The amount of the fixed components, with a breakdown, where applicable, of the expenses for participation in the board and its commissions and an estimate of the annual fixed salary resulting therefrom;

Variable salary concepts, including, in particular:

- i) Classes of directors to which they are applied, as well as an explanation of the relative importance of the variable salary concepts with regard to the fixed salary concepts.
- ii) Results assessment criteria on which any right to payment in shares, stock options or any variable component is based;
- iii) Fundamental parameters and basis of any annual premium system (bonus) or other benefits not paid in cash; and
- iv) An estimate of the absolute amount of the variable salary payments arising from the proposed salary plan in accordance with the level of fulfilment of the hypotheses or objectives taken as reference.

Main characteristics of the company pension plans (e.g. top-up schemes, life insurance policies and similar), with an estimate of their amount or equivalent annual cost.

Conditions to be observed in the contracts of those who exercise senior management functions as executive directors including:

Term;

Terms of notice; and

Any other clauses related to contracting premiums, such as severance payments or golden parachutes for early termination or cancellation of the contractual relations between the company and the executive director.

See epigraph: B.1.15

Complies x Complies partially ☐ Explain ☐

36. The payments made through shares in the company or companies in the group, stock options or instruments referenced to the value of the share, variable payments associated with the company's performance or company pension plans should be limited to the executive directors.

This recommendation will not cover the provision of shares when it is conditioned to the directors maintaining them until their resignation as a director.

See epigraphs: A.3, B.1.3

Complies x Explain ☐

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37. The salary payments of the external directors must be the amount necessary for compensating the devotion, qualification and responsibility required by the post; but not so high as to compromise their independence.

Complies ☒ Explain ☐

38. The salary payments related to the company's results should take into account the possible exceptions included in the external auditor's report, which may reduce the said results.

Complies ☐ Explain ☐ Not applicable ☒

39. In the case of variable salary payments, the salary policies should incorporate the necessary technical precautionary measures to ensure that the said salary payments are related to the professional devotion of the beneficiaries and do not result simply from the general evolution of the markets or the company's activity sector or other similar circumstances.

Complies ☐ Explain ☐ Not applicable ☒

40. The Board should submit a report on the directors' salary policy to vote at the General Shareholders Meeting, as a separate, consultative matter on the agenda. The said report should be made available to the shareholders either separately or in any other way the company considers appropriate.

The said report should focus particularly on the salary policy approved by the Board for the present year, as well as, where applicable, the policies anticipated for future years. It shall include all the matters referred to in Recommendation 35, except for circumstances that may suppose the revelation of sensitive commercial information. It shall underline the most significant changes in the said policies with regard to that applied during the past year to which the General Shareholders Meeting refers. It shall also include an overall summary of how the salary policy was applied during the past year.

The Board should also report on the role played by the Remunerations Committee in the preparation of the salary policy and, if external consultancy services are used, on the identity of the external consultants providing the service.

See epigraph: B.1.16

Complies ☐ Complies partially ☐ Explain ☒

Not applicable last year. Applicable this year.

41. The Report should give details of the individual salaries paid to directors during the year and include:

a) The individualised breakdown of the salary of each director, which shall include, where applicable:

- The allowances for attendance or other fixed payments as a director;
- The additional remuneration as chairman or member of one of the board's committees;

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- Any payments for profit sharing or premiums and the reason why they were made;
- Contributions in the director's favour to fixed-contribution pension schemes; or the increase of the director's consolidated rights in the case of contributions to fixed-benefit plans;
- Any severance payments agreed or paid in the case of the termination of his functions;
- The payments received as a director of other companies in the group;
- Payments for carrying out the senior-management functions of the executive directors;
- Any other salary concepts other than the above, regardless of their nature or the entity of the group making the payment, especially when they are considered as related transactions or their omission distorts the fair view of the total salary payments received by the director.

b) The individualised breakdown of the shares, stock options or any other instrument referenced to the value of the share eventually awarded to directors, with details on the following:

- Number of shares or options awarded during the year and the terms and conditions of their exercise;
- Number of options exercised during the year, indicating the number of shares affected and the price of the exercise;
- Number of pending options at the end of the year, indicating their price, date and other exercise requirements;
- Whatsoever modification during the year to the conditions for exercising the options already awarded.

c) Information about the ratio during the said past year between the salary obtained by the executive directors and the results or other measurements of the company's performance.

Complies x Complies partially ☐ Explain

Not applicable last year. Applicable this year.

42. When there is a Delegate or Executive Committee (hereinafter called "Delegate Committee"), the participation structure of the various categories of directors should be similar to that of the Board itself and its secretary should be the Secretary of the Board.

See epigraphs: B.2.1 and B.2.6

Complies x Complies partially ☐ Explain ☐ Not applicable ☐

The Vice-secretary of the Board performs the duties of Secretary on the Delegate Committee.

43. The Board should always be aware of the matters dealt with and the decisions adopted by the Delegate Committee and all the members of the Board should receive a copy of the minutes of the meetings of the Delegate Committee.

Complies x Explain ☐ Not applicable ☐

44. The Board of Directors should constitute not only the Audit Committee required by the Stock Exchange Act, but also one or two separate Committees: the Appointments Committee and the Remuneration Committee.

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The rules governing the make-up and operation of the Audit Committee and the Appointments and Remuneration Committee or Committees should be recorded in the regulations of the Board and include the following:

a) The board should appoint the members of these Committees, bearing in mind the know-how, skills and experience of the directors and the missions of each Committee; it should deliberate on its proposals and report; and it should report on its activities and respond for the work carried out during the first plenary session of the Board after its meetings.

b) The said Committees should be made up exclusively of a minimum of three external directors. The above is understood as without prejudice to the attendance of executive directors or senior managers when so agreed expressly by the members of the Committee.

Their Chairmen should be independent directors.

d) They should be able to seek external consultancy services when they consider it necessary for their functions.

e) Minutes should be recorded of their meetings and a copy of the said minutes should be sent to all the members of the Board.

See epigraphs: B.2.1 and B.2.3

Complies x Complies partially ☐ Explain ☐

45. The supervision of compliance with the internal code of conduct and the rules of corporate governance should be the responsibility of the Audit Committee, the Appointments Committee or, if they exist separately, the Corporate Governance or Fulfilment Committees.

x Complies ☐ Explain

46. The members of the Audit Committee and, in particular, its chairman should be appointed on the basis of their know-how and experience in bookkeeping, audits and risk management.

x Complies ☐ Explain

47. The listed companies should have an internal audit function which, under the supervision of the Audit Committee, should monitor the correct functioning of the internal control and information systems.

xComplies ☐ Explain

48. The person responsible for the internal audit function should present his annual work plan to the Audit Committee; he should inform it directly of the incidents occurring during its development; and, at the end of each year, submit an activities report.

x Complies ☐ Complies partially ☐ Explain

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49. The risk management and control policies should identify at least:

- a) The different types of risk (operative, technological, financial, legal, reputational, etc.) facing the company, where the financial or economic risks should include the contingent liabilities and other off-balance-sheet risks.**
- b) The level of risk considered acceptable by the company;**
- c) The measures laid down to reduce the impact of the risks that are identified should they occur;**
- d) The internal control and information systems that will be used to control and process the said risks, including the contingent liabilities or off-balance-sheet risks.**

See epigraph: D

☐ Complies ☒ Complies partially ☐ Explain

The Company updated a risk assessment that had been conducted to identify and assess the group's business risks in view of its activity and the current climate, as well as the controls associated with these risks, for which particular emphasis was placed on the risks classified as high and/or those which were subject to weak controls. Additionally, the critical risks identified in the last update of the risk map were analysed in depth in terms of the recommendations and action plans suggested in previous reviews, as well as in terms of their status.

A schedule was agreed on with Senior Management to continue working on the project over the 2012 and 2013 business years. It is important for the Company to identify the improvements to these measures and controls in order to improve current risk management practices and make them more efficient and effective.

Furthermore, the Company worked on the implementation of the recommendations of the diagnosis reached during the first four-month period of 2011 on Financial Information Control Systems, based on the new regulations and recommendations of the Spanish Securities Commission.

50. The Audit Committee should be responsible for the following:**1. In relation to the internal control and information systems:**

- a) Supervising the preparation process and integrity of the financial information related to the company and, where applicable, the group, reviewing compliance with the standard requirements, the appropriate definition of the consolidation perimeter and the correct application of the bookkeeping criteria.**
- b) Regularly reviewing the internal control and risk management systems so that the main risks can be identified, processed and appropriately publicised.**
- c) Ensuring the independence and effectiveness of the function of the internal audit; proposing the selection, appointment, re-election and dismissal of the person responsible for the internal audit service; proposing the budget of the service; receiving regular information on its activities; and ensuring that senior management takes into account the conclusions and recommendations put forward in its report.**

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d) Setting up and supervising a mechanism that enables employees to communicate any significant irregularities, especially those related to finance and bookkeeping, and to do so in a confidential manner.

2. In relation to the external auditor:

a) Raising the selection, appointment, re-election and substitution proposals concerning the external auditor to the Board, as well as the terms and conditions of his contract.

b) Regularly receiving information from the external auditor on the audit plan and the results of its implementation and ensuring that senior management takes into account the corresponding recommendations.

c) Guaranteeing the independence of the external auditor and, accordingly:

i) The company should report the change of auditor to the Spanish National Securities Market Commission as a relevant event and accompany the said report with the declaration on the existence of disagreements with the departing auditor and, where applicable, the corresponding content.

ii) It should be ensured that the company and the auditor observe current standards on the provision of services other than auditing services, the limits to the auditor's business concentration and, in general, the other standards established to guarantee the independence of auditors;

iii) In the case of the resignation of the external auditor, it should examine the circumstances leading to the said resignation.

d) In the case of groups, it should favour the group's auditor assuming the responsibility for the audits of the companies in the group.

See epigraphs: B.1.35, B.2.2, B.2.3 and D.3

☐ Complies ☒ Complies partially ☐ Explain

The point that was not put into practice in the 2008 tax year and that will be applied in 2009 is as follows:

In the 2008 tax year, the external auditor was appointed for a one-year term by virtue of the agreement adopted by the General Shareholders Meeting on 30/05/08. With regard to 2009, the Audit Committee will be informed so that is able to make recommendations to the Board on the selection, appointment, re-election and replacement of the external auditor, and the terms and conditions of the latter's contract.

51. The Audit Committee should be able to call any of the company's employee or manager and also have them appear without the presence of any other manager.

☒ Complies ☐ Explain

52. The Audit Committee should report to the Board before the Board adopts the corresponding decisions on the following matters indicated in Recommendation 8:

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a) The financial information which, due to its status as a listed company, must be published by the company on a regular basis. The committee should ensure that the interim accounts are prepared under the same bookkeeping criteria as the annual accounts and, accordingly, consider the appropriateness of a limited review by the external auditor.

b) The creation or acquisition of shares in entities with special purposes or domiciled in countries or territories that are considered as tax havens, as well as whatsoever other similar transaction or operation which, owing to its complexity, could undermine the group's transparency.

c) The related transactions, unless the preliminary report function has been attributed to another control and supervision Committee.

See epigraphs: B.2.2 and B.2.3

☒ Complies ☐ Complies partially ☐ Explain

53. The Board of Directors should seek to present the accounts to the General Shareholders Meeting without any reservations or qualifications in the audit report and, in whatsoever exceptional case, both the Chairman of the Audit Committee and the auditors should clearly explain to the shareholders the content and scope of the said reservations or qualifications.

See epigraph: B.1.38

☒ Complies ☐ Complies partially ☐ Explain

Historically, we have had consolidated audit reports without reservations or qualifications. The external auditors stand before the Audit Committee before the presentation of the Annual Accounts to the Board of Directors to explain the conclusions drawn from their audit.

Most of the members of the Appointments Committee (or the Appointments and Remuneration Committee, if there is only one Committee) should be independent directors.

See epigraph: B.2.1

Complies ☒ Explain ☐ Not applicable ☐

Besides the functions indicated in the above recommendations, the following responsibilities should correspond to the Appointments Committee:

Assessing the skills, know-how and experience required of the Board and, consequently, defining the functions and skills required of the candidates to cover each vacancy; and assessing the time and devotion necessary for them to carry out their task correctly.

Examining or organising, as considered appropriate, the succession of the Chairman and the chief executive and, where applicable, making proposals to the Board so that the said succession occurs in an orderly and well-planned manner.

Reporting the appointments and resignations of senior executives as proposed to the Board by the chief executive.

Reporting to the Board on matters of gender diversity as per Recommendation 14 of this code.

See epigraph: B.2.3

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Complies x Complies partially ☐ Explain ☐ Not applicable ☐

The Appointments Committee should consult the company's Chairman and chief executive, especially with regard to business concerning the executive directors.

And any director should be able to ask the Appointments Committee to consider potential candidates for the vacancy of director if they consider them to be ideal.

Complies x Complies partially ☐ Explain ☐ Not applicable ☐

Besides the functions indicated in the above recommendations, the following responsibilities should correspond to the Remuneration Committee:

Proposing to the Board of Directors:

The salary policy for directors and senior managers;

The individual salaries of the executive directors and the other terms and conditions of their contracts.

The basic terms and conditions of the senior managers' contracts.

Ensuring the observance of the salary policy laid down by the company.

See epigraphs: B.1.14, B.2.3

Complies x Complies partially ☐ Explain ☐ Not applicable ☐

The Remuneration Committee should consult the company's Chairman and chief executive, especially with regard to business concerning the executive directors.

Complies x Explains ☐ Not applicable ☐

OTHER INFORMATION OF INTEREST

If you consider that there is any important principle or aspect regarding the corporate governance practices applied by your company which have not been covered in this report, please explain below.

Negative reply.

More specifically, indicate whether your company is subject to any corporate governance legislation other than Spanish law, and if so, include any information that is mandatory and different from that requested herein.

Negative reply.

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Binding definition of independent director:

Indicate whether or not any of the independent directors has or has had any relationship with the company, its significant shareholders or managers which, if sufficiently significant or important, would have meant that the director could not be considered as independent in accordance with the definition laid down in section 5 of the unified code of good governance:

Negative reply.

This Annual Report was approved at the meeting held on March 26th 2012 by the Board of Directors.

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**ANNEX TO THE ANNUAL CORPORATE GOVERNANCE REPORT OF FLUIDRA, S.A.
FOR THE BUSINESS YEAR 2011**

Act 2/2011, dated 4 March, on sustainable economy (Sustainable Economy Act) modifies Act 24/1998, dated 28 July, on the securities market (Securities Market Act) and introduced a new chapter VI called the "Annual Corporate Governance Report", which includes a new article 61bis that regulates the annual corporate governance report (ACGR). Amongst other novelties, this article includes a new section in the annual corporate governance report that describes the main characteristics of the internal systems for risk management and control with regard to reporting financial information.

Furthermore, the Sustainable Economy Act has overturned article 116bis of the Securities Market Act that established the obligation to include certain additional information in the directors' report.

Given that the format of the annual corporate governance report has not yet been regulated, for this business year, we have used that established in circular 4/2007, dated 27 December, currently in force issued by the Spanish Securities Commission (CNMV). Thus, this annex includes the additional information required by the Sustainable Economy Act that is not included in the aforementioned format and is set out in the following paragraphs.

1. Information regarding securities that are not traded on a regulated EU market, with an indication (where appropriate) of the different classes of shares and, for each class of shares, the rights and obligations conferred [as well as the percentage of the share capital represented by the company's treasury stock and any significant variations]. (Article 61bis 4 to 3 of the Securities Market Act).

There are no other securities issued that are traded on a non-EU market.

The company's treasury stock at the end of the business year is 2,858,328 shares, which represent 2.530% of the share capital.

The significant changes to the treasury stock, in accordance with the provisions of Royal Decree 1362/2007, carried out during the business year have consisted in the direct acquisition of 666,147 shares representing 0.592% of the share capital.

The disposal of the aforementioned shares resulted in a loss of 138 thousand euros.

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2. Any restrictions on the transfer of securities and any restriction of voting rights (art. 61bis 4b of the Securities Market Act).

There are no statutory restrictions on the transfer of the securities representing the share capital or the exercise of voting rights other than those envisaged by law.

In this respect, according to article 13 of the Articles of Association, the shares and economic rights that result from them, including pre-emptive subscription rights, are freely transferable by all of the means accepted by Law.

The transfer of new shares shall not come into effect until the capital increase has been registered with the Companies Registry.

Furthermore, article 83.1 of the Capital Companies Act and article 8c of the Articles of Association state that voting rights may not be exercised if a shareholder is in arrears with the payment of share capital, or if shares do not give the right to vote.

3. Information regarding the rules applicable to the modification of the Articles of Association (article 61 bis4b of the Securities Market Act).

The procedure for the modification of the Articles of Association must be in accordance with the provisions of articles 285 and the following of the consolidated text of the Capital Companies Act, which requires the approval of the AGM, with the quorum and majorities envisaged in articles 194 and 201 of the aforementioned Act. Furthermore, any modifications must be set out in the directors' report, which must be made available to the shareholders. Article 27 of the Articles of Association includes the principle contained in article 194 of the consolidated text of the Capital Companies Act and establishes that, in order for the General Meeting (ordinary or extraordinary) to be able to validly make any modification to the Articles of Association, it is necessary for the shareholders that hold at least fifty percent of the subscribed share capital with voting rights to attend the first call (in person or by proxy). At the second call, 25 percent of this capital shall be sufficient.

Amongst other powers of the General Meeting, Article 5 of the General Meeting Regulations expressly provides for the modification of the Articles of Association.

Article 25 of the General Meeting Regulations regulates the procedure for voting on proposed resolutions by the AGM and, in the case of modifications to the Articles of Association, establishes that each article or group of articles that is substantially independent should be voted on separately.

4. Information regarding significant agreements that the company has entered into and that enter into force are modified or concluded in the event of a change to the control of the company due to a takeover bid, and their effects, except when its disclosure is seriously damaging to the company. This exception will not be applicable when the company is legally bound to release this information. (Article 61bis 4c 4 of the Securities Market Act).

Not applicable

5. Information regarding agreements between the company and its directors, executives or employees that establish an indemnity should they resign or be

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unfairly dismissed or if the labour relationship should end as a result of a takeover bid. (Article 61bis 4c 5 of the Securities Market Act)

The company has signed agreements with its directors that include guarantee clauses. There are seven beneficiaries of this type of clause, as authorised by the Board of Directors.

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**F INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATED TO THE
INTERNAL CONTROL SYSTEM FOR FINANCIAL INFORMATION (ICSFI)****F.1. The organisation's Control Environment****F.1.1. The bodies and/or functions responsible for: (i) the existence and maintenance of a
suitable and effective ICSFI; (ii) its implementation; and (iii) its supervision.**

Fluidra S.A. and its subsidiaries (hereinafter, Fluidra) has officially set out how ICSFI practices should be handled to deliver the most useful and effective results in the Regulations of the Board of Directors.

The Board of Directors has entrusted Fluidra's CFO with the responsibility of implementing and updating the ICSFI.

Insofar as the supervision of the ICSFI is concerned, article 13.3 of the Regulations of the Board of Directors specifically designates the Audit Committee with the responsibility of supervising the ICSFI and the process of drawing up and filing regulated financial information. The Audit Committee is given support by the personnel who conduct internal audits in the discharge of its responsibilities.

**F.1.2. In specific relation to the drawing up of the financial information, the following
features, if available:**

- **Departments and/or mechanisms responsible for: (i) designing and reviewing the company's organisational structure; (ii) defining clear lines of accountability and the distribution of tasks and functions; and (iii) ensuring that the organisation has a body with the powers to put the proper procedures in place to inform the whole of the company about financial matters.**

Fluidra has internal processes that establish the levels of authorisation necessary to modify its organisational structure. The CEO is ultimately responsible for approving the set-up of the structure and its review with the support of the Appointments and Remuneration Committee. The Appointments and Remuneration Committee is made up of three Board members, two of whom are independent members.

Fluidra's internal organisational chart is posted on the corporate intranet and covers posts held in the main business areas from the CEO down to the general managers of each area.

Specifically, for the purposes of drawing up the regulated financial information, the Group Accounting Manual (GAM) sets out the current basic lines of accountability in the process, policies, required documentation and the schedule to be followed. Fluidra also has an organisational chart broken down by areas and departments (including the departments involved in the preparation, analysis and supervision of the financial information), in which details are given of hierarchical relationships.

- **Code of conduct, approving body, scope of dissemination and disclosure, principles and values included (with an indication of whether specific mention is made in the business transaction records and the financial information reported),**

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and the body responsible for analysing incidents of non-compliance and proposing corrective actions or penalties.

One of Fluidra's commitments is to seek ways of channelling its efforts so that operations are conducted in an environment of ethical professional practices. On the one hand, it does so by implementing mechanisms designed to prevent and detect frauds or malpractice committed by employees that could be subject to penalties, fines or harm the group's image and, on the other hand, by emphasising the importance of ethical values and integrity amongst its employees.

Fluidra has a code of conduct, hereinafter "Code of Ethics", the first version of which was approved by the Board of Directors at a meeting held on 16 December 2008. Fluidra has now reviewed its Code of Ethics so that it can add changes to it that reflect the modifications made to the legal framework to which it is subject, particularly with regard to the accountability of the Board of Directors and the Audit Committee. The revised version of the Code of Ethics was approved by the Audit Committee on 28 February 2012 and was subsequently disclosed to the Board of Directors.

All of the group's employees must comply with the Code of Ethics. Updates and modifications to the Code of Ethics are made by Fluidra's Audit Committee. The Code of Ethics is available to all employees on the corporate website.

Broadly speaking, the values included in the Code of Ethics are mainly there to ensure maximum transparency in Fluidra's business dealings. It is thus actively engaged in creating an environment of trust for its customers, suppliers, shareholders, employees, public and private institutions, and society in general. The Code of Ethics is based on the 10 principles set out in the UN's Global Compact and is intended to outline the most relevant ethical rules and forms of conduct that should be followed in internal and external relations. It also lists forms of conduct not permitted by law, which are updated on a regular basis.

The general ethical principles covered by Fluidra's Code of Ethics specifically affect the ICSFI in terms of the values related to integrity and professional rules of conduct, the lines of action that to a greater or lesser extent are related to the reliability of financial information and compliance with the regulations in force.

Fluidra has a Committee for the Promotion of the Code of Ethics whose main mission is to promote its dissemination and application throughout the group and provide a communications channel for all employees so that they can send in queries and report any breaches in the Code.

The Audit Committee acts on suggestions made by the Committee for the Promotion of the Code of Ethics to propose corrective actions and impose penalties.

The training given on the Code of Ethics consisted of its distribution to all managers, who then undertook the task of explaining it to the employees they supervise.

Whenever new employees join Fluidra, they are all given the Code of Ethics, which they must promise to follow in compliance with the company's internal policies.

- **Whistleblower channel, which enables employees to report financial and accounting irregularities to the Audit Committee in the strictest confidence, in addition to any possible breaches of the Code of Ethics and irregular activities observed in the organisation.**

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Fluidra has an internal whistleblower channel through which all employees are able to address their queries and questions. They can be sent through two communication channels: by email or by post.

The role of the Committee for the Promotion of the Code of Ethics is to deal with the queries and complaints received. Its aim is to monitor and control the degree to which the principles set out in the Code of Ethics are complied with.

The Committee for the Promotion of the Code of Ethics regularly reports to the Audit Committee on any breaches of the Code of Ethics identified, the corrective actions proposed and any disciplinary measures that may have been taken, for their approval.

All communications between the Committee for the Promotion of the Code of Ethics and Fluidra's employees are strictly confidential, in compliance with the restrictions set out in Organic Law 15/1999, of 13 December, on Personal Data Protection. All of the members of the Committee for the Promotion of the Code of Ethics are authorised to have access to all information relating to queries and notifications received from the group through the procedure for handling queries and notifications. The Committee for the Promotion of the Code of Ethics is responsible for selecting and prioritising any notifications received.

- **Regular training programmes and refresher courses for all staff involved in preparing and reviewing financial information, and assessing the ICSFI. All such staff is given basic training in the standards used for accounting, audits, internal controls and risk management.**

Fluidra has set up FluidrAcademy in order to promote training. The goal of FluidrAcademy is to build up a range of corporate training courses that deal with cross-disciplinary and business related contents in order to promote the transfer of internal skills and the relations between Fluidra's professionals. It has also been designed to encourage internal training by running courses related to Fluidra's main functional and business areas. These courses are taught by internal trainers whenever possible and full advantage is thus taken of the knowledge of the company's employees.

For aspects related to the preparation of financial information, Fluidra's GAM includes the four basic core themes in accounting and financial competences:

- a) Training in new IFRS and GAAP accounting rules. Each year, the financial teams from each division, the heads of central services and the personnel from internal audits receive training in the changes and/or new interpretations of the International Financial Reporting Standards (IFRS), as well as on Spanish GAAP accounting and tax rules.
- b) GAM online training courses. These courses are currently being developed. There will be seven modules related to the most critical areas in preparing financial information. They are intended for the staff in all of the companies in the group who are responsible for preparing the financial statements and are compulsory for them.
- c) Training in the group's accounting principles. An online course is being designed for foreign subsidiaries and newcomers to the organisation that will concentrate on the most commonly used entries in the company's year-end accounts.

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- d) Training in subsidiaries. Additionally, the training given in Fluidra's subsidiaries abroad will be conducted by means of on-site visits by teams from the divisions and services based at headquarters. They will review reporting statements, the different information required by headquarters, and the criteria used to determine slow-moving inventory and bad debt, amongst others. All newcomers will be sent on a one-week induction course at headquarters.

In order to improve knowledge about accounting and finance, and the integrity and reliability of the information flow between Fluidra's different business areas, training sessions called "Finance for non-financiers" are run regularly.

Finally, with regard to the audit and internal control areas, the directors of finance and internal audits are responsible for identifying the needs of their teams in terms of training and they propose training courses to cover any specific needs that may arise.

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F.2. Risk assessment of financial information

F.2.1. Main characteristics of the risk identification process examined, including errors and fraud, with regard to:

- Whether the process exists and is documented.
- Whether the process covers all of the financial information required (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how often.
- Whether there is a process for identifying the scope of consolidation, based, amongst other aspects, on the possible existence of complex corporate structures, holding companies or companies with a special purpose.
- Whether the process takes other types of risk into account (operational, technological, financial, legal, reputational, environmental, etc.) to the extent that they affect financial statements.
- The governing body of the entity that supervises the process.

The process for identifying risks of error in financial information followed by Fluidra is systematic and has been documented. Fluidra places special emphasis on identifying risks of material errors and fraud by determining the goals of the controls conducted on financial information for each of the risks identified. This process for identifying risks is undertaken and documented by Fluidra's CFO and is supervised by the Audit Committee, with assistance from the team of internal auditors.

The process is designed in such a way that the factors that can materially affect the financial statements are regularly analysed based on a number of criteria that include quantitative and qualitative factors. Thus, relevant areas/locations are identified in terms of the transactions that can have a material effect on the financial statements.

The scope of the areas identified is reviewed by Fluidra's CFO and is ultimately supervised by the Audit Committee.

If during a business year there are cases of (i) circumstances previously not identified that show signs of possible errors in the financial information, or (ii) substantial changes in Fluidra's operations, the CFO will assess whether such risks should be added to those already identified.

Following meetings with the general division managers and the Legal Department, the CFO will regularly update the part of the corporate structure that governs the scope of accounting and tax consolidation, which will subsequently be reviewed by the internal auditors and ultimately by the Audit Committee.

As set out in the Regulations of the Board of Directors, the Audit Committee is responsible for regularly reviewing the internal control and risk management systems, so that the main risks are properly identified, managed and made known.

F.3. Control activities

F.3.1. Financial information review and authorisation procedures, the description of the ICSFI to be released to the securities markets, the designation of the people responsible

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for these procedures and the documentation describing the workflow of activities and controls (including those related to the risk of fraud) of the various types of transactions that could materially affect the financial statements, including the accounting close procedure and the specific review of the relevant judgements, estimations, valuations and forecasts.

The GAM describes the goals to be reached in accounting close procedures and in the preparation of the financial information for all areas. The control activities are reported by means of check lists. This ensures that all controls associated with the reporting, valuation, presentation and breakdown of the various types of transactions have been properly performed. This likewise ensures that critical balance sheets that have a material impact on the financial statements are drawn up according to regulations. The control activities identified and officially reported focus on the activities directly related to balance sheets and transactions that can materially affect the financial statements. They have also been designed to mitigate the risk of fraud.

Amongst others, special care has been taken to ensure the check lists cover the following areas:

- Accounting closes and financial reporting
- Sales and accounts receivable
- Goodwill
- Intangible assets with a definite or indefinite useful life
- Fixed assets
- Inventory
- Purchases and accounts payable
- Financial debt

Specifically, the accounting close procedure and the review and authorisation of the financial information reported to the markets are subject to a detailed schedule of closing activities that is duly distributed to all divisions through the GAM. Each subsidiary is then responsible for reporting its financial information in line with a standard format to the Department of Finance, which is responsible for the consolidation process and drawing up the consolidated annual accounts. These are in turn approved by the CFO for their subsequent presentation to and control by the CEO, the internal auditors, the Audit Committee and the Board of Directors.

The specific review of relevant judgements, estimates, valuations and forecasts is conducted at a basic level through Fluidra's existing controls, whether those put in place for its routine transactions or those used in the process of preparing financial information that are listed in the GAM. Depending on the degree of judgement and estimation applied and the potential impact on the financial statements, any aspects that are of particular relevance in the preparation of financial information are subsequently discussed and reviewed. The reviews are subject to a hierarchical order that goes from division finance managers and general managers, through to the CFO, the CEO, the Audit Committee and the Board of Directors.

When external experts are called in to assess judgements, estimates, valuations and forecasts they discuss and disclose their findings to the CFO, once their work has gone through a number of control and monitoring procedures.

Specifically, the main judgements and estimates subject to review in a business year are discussed in the notes to the consolidated annual accounts.

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F.3.2. Internal policies and procedures for controlling information systems (such as secure access, tracking changes, implementing changes, operational continuity and the division of functions) to which the company's relevant processes are subject in relation to the drawing up and publication of financial information.

Fluidra uses information systems to ensure that its operations are properly recorded and controlled. As part of the process for identifying risks of error in its financial information, Fluidra's CFO decides which systems and applications are relevant in preparing it. The systems and applications identified include both those directly used to prepare the financial information and the interfaces with the system, of which the link between sales/accounts receivable and purchases/accounts payable can be highlighted.

The policies and procedures used by Fluidra's information systems cover physical and cyber security with regard to access (restricted access is used to ensure the proper division of functions), procedures for checking the design of new systems or modifications to existing ones, and the continued operation of systems (or the set-up of alternative systems and applications) should unforeseen events occur that affect their operation. Amongst other aspects, these policies are designed to guarantee the following:

- Secure access to both data and applications
- Changes made to applications are tracked
- Applications operate properly
- Data are available and applications are in working order
- Functions are divided appropriately

a) Secure access

A number of measures have been taken at different levels to prevent unauthorised access to both data and applications.

Access to applications, operating systems and databases is controlled through the use of usernames and passwords. Access to data is restricted to user profiles but a matrix for dividing functions to ensure that they are not incompatible has not been developed.

b) Tracking changes

A change management methodology has been developed and implemented that establishes the precautions and validations needed to limit the risk of this process.

Its main aspects include the following:

- Approval by business areas
- Tests are conducted as a preliminary step to production
- Specific environments for development tasks and testing
- Backtracking procedures
- Division of functions as the development team does not have access to production.

c) Operations

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To ensure that operations are properly performed, the interfaces between the systems involved in preparing financial information are monitored.

Additionally, there is an internal Help Desk that users can contact should they detect any type of incident, have a query or wish to request training. The Help Desk also controls the efficiency of the performance of the information systems.

d) Availability and continuity

The company has a data processing centre (central and backup) that ensures information systems are available in cases of contingencies. Further backup is given through a disaster recovery plan (DRP) that sets out the tasks and steps to be followed to restore the systems in case of failure. The DRP is tested under real conditions once a year.

Additionally, a backup is made of data and applications daily that is temporarily kept in a safe place. There is a specific procedure for restoring these data even if full tests are not regularly run. However, partial procedures for restoring the information are carried out regularly.

e) Division of functions

A number of profiles have been defined to set the functions to which each user should have access on the information systems. These profiles are used to prevent a user from having more privileges than are strictly necessary. The definition of these profiles is currently under review.

F.3.3. Internal control policies and procedures designed to supervise the management of activities outsourced to third parties, as well as those aspects of assessment, calculation or valuation entrusted to Independent experts, which may materially affect the financial statements.

Fluidra, within its annual procedure to determine the scope of the ICSFI, identifies in what locations and financial areas there are:

- Activities outsourced to third parties.

At the time of establishing a collaborative agreement with a contractor, ensure competition, accreditation, technical and legal expertise and independence of the third party. During fiscal 2011, Fluidra has not outsourced activities that may materially affect to the financial statements.

- Assessment, calculation or valuation entrusted to independent experts

Fluidra uses experts that support work to assessments, judgments or accounting estimates, only when they are enrolled in the relevant professional associations, or have an equivalent accreditation, declare their independence and are of recognized companies in the market.

Specifically for 2011, experts have been used in jobs related to business combinations. Fluidra follows procedures to ensure competence, accreditation and independence of the third contract and also has ensured the validity of the data used by the third party and has reviewed and revised key assumptions and assumptions considered in the conclusions of the third party.

F.4. Information and communications

F.4.1. Description of how accounting policies are kept up to date (by accounting areas or departments) and any queries or disagreements about their interpretation resolved. How smooth communications are maintained with the organisation's heads of operations and any updates made to the manual of accounting policies passed on to all of its business units.

Amongst other functions, the CFO is responsible for keeping the accounting policies that apply to the group up to date. Thus, the CFO is responsible for updating the GAM, which includes the group's accounting criteria and its accounting plan, as well as an analysis of any changes to regulations/accounting standards that may have an impact on Fluidra's financial information.

The GAM is updated once a year. The last update was issued in December 2011. In the updates, both the accounting criteria based on the EU-IFRS regulations that apply and the group's accounting structure are reviewed to ensure traceability between the individual accounting plans of the group's subsidiaries and the Fluidra's accounting plan, which serves as the basis for drawing up the various reports containing the financial information to be provided to external bodies.

Once the GAM has been updated, it is sent to all of the organisation's directors of finance by email.

The CFO is also responsible for resolving any queries about the accounting treatment of any transactions that those responsible for Fluidra's financial information may have.

F.4.2. Methods of collecting and preparing the financial information in homogeneous formats to be applied and used by all of the group's units for inclusion in the main financial statements and the notes, as well as the information required for the ICSFI.

All of the companies that are included in the group's consolidated financial statements at the 2011 closing follow a single, homogeneous reporting model. Most of them (around 70% of turnover) use the same corporate accounting system for collecting and preparing financial information. Fluidra ensures that the remaining 30%, which have not yet implemented this information system, use homogeneous formats for preparing financial information through mechanisms that reflect those used in the integrated tool. The financial information reported by all subsidiaries covers that required in the main financial statements and their notes. Fluidra's Department of Finance is responsible for obtaining the information required from all of the subsidiaries, based on which any consolidation adjustments that may be required are made to obtain consolidated figures and it supplements the financial information with the notes to the consolidated financial statements.

To ensure that figures reported by subsidiaries are reliable, they must submit a monthly report of the various pieces of information that make it possible to conduct analyses of any variations in equity items and results obtained with regard to the monthly budget, for which a number of items from the balance sheet and the income statement are compared, which provides greater details about the local operations reported.

F.5. Performance monitoring

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F.5.1. This takes in the monitoring activities undertaken by the Audit Committee, as well as those conducted by a subsidiary if it has internal auditors whose powers include supporting the Committee in its supervision of the internal control system, including the ICSFI. Likewise, information will be given about the scope of the assessment of the ICSFI performed in the business year and the procedure used by the person responsible for the assessment to disseminate results, as well as whether the company has a plan of action that lists possible corrective measures, and whether its impact on the financial information has been considered.

The functions of the Audit Committee related to the monitoring of the ICSFI are set out in article 13 of the Regulations of the Board of Directors and, amongst others, consist of:

- Supervising the efficiency of the company's internal controls and, in particular, the internal control of financial information, internal audits, if applicable, and risk management systems, as well as discussing any significant weaknesses in the internal control detected after an audit has been conducted with the account auditors or auditing firms.
- Supervising the process of preparing and filing regulated financial information.
- Reviewing the accounts of the company, ensuring the fulfilment of the legal requirements and the correct application of the generally accepted accounting principles, with the direct collaboration of the external and internal auditors to do so.
- In relation to the information and internal control systems:
 - Supervising the drawing up and integrity of the company's and, if applicable, the group's financial statements. Ensuring that regulations are complied with, that the scope of consolidation is abided by and that accounting standards are properly applied.
 - Reviewing the internal control and risk management systems regularly in order to ensure that the main risks are properly identified, managed and made known.
 - Ensuring that internal auditing function is independent and efficient; proposing the selection, appointment, re-election and dismissal of the person responsible for the internal audit service; proposing the budget for the service; receiving regular information about its activities; and ensuring that senior management takes into account the conclusions and recommendations put forward in its report.
 - Establishing and monitoring a system whereby employees are able to supply confidential or anonymous information about irregularities that they have detected in the company, which have potentially serious consequences, particularly with regard to financial and accounting practices.

Fluidra's internal audit function was set up as an independent, objective and exclusive valuation activity. This explains why the Internal Audit Area reports to the Audit Committee.

In 2011, the Audit Committee placed special emphasis on officially supervising the design, implementation and testing of the ICSFI model used by Fluidra, with the support of internal auditors.

Specifically, in relation to the monitoring activities conducted by the Audit Committee:

- In 2011, the Audit Committee regularly checked the progress made in the implementation of the ICSFI. Through these sessions, the members of the Audit Committee were able to review the degree of compliance of the ICSFI by examining the weaknesses identified,

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approving the corresponding plans of action proposed and setting the times required to execute them.

- In the framework of Fluidra's 2011 Annual Auditing Plan, the Audit Committee entrusted the Internal Audit Area with the review of the processes related to the material areas of the internal control systems.
- In line with the Annual Auditing Plan, the reports issued by the internal auditors about the activities completed were reviewed. These reports included the conclusions on the effective implementation of the controls identified as key in relation to the control systems, and they identified existing weaknesses and, as a result, the proposed plans of action were approved.

During this first year in which the ICSFI was implemented by the CFO, as defined in a document written by the Internal Control Working Group in June 2010 of the Spanish Securities Commission, the internal auditors ensured that the ICSFI was properly designed and implemented. As part of its activities, the Internal Audit Area will extend its review procedures as Fluidra adopts and implements the ICSFI. Internal audits therefore repeatedly check that all the policies, standards and controls of the processes established in the ICSFI are working properly and able to mitigate the risk of fraud. To do so, all work programmes for reviewing each of Fluidra's processes will include a specific section intended to check that the aforementioned policies, regulations and controls have been properly designed and are working.

Of the monitoring activities undertaken as part of the Annual Auditing Plan during the 2011 business year, no relevant incidents were detected in the areas monitored and, therefore, none of the financial information checked by the Audit Committee was subject to changes.

F.5.2. State whether there is a procedure whereby the accounts auditor (in accordance with the procedures established in Spain's auditing standards – the NTA), the internal auditors and other experts can discuss any significant weaknesses in internal controls identified during the review process of the annual accounts or any other reviews that may be conducted with the senior management and the Audit Committee. Likewise, state whether any action plans have been devised to try to correct or mitigate the weaknesses observed.

The Audit Committee meets six times a year prior to the publication of regulated information in order to obtain and analyse the information necessary to carry out the tasks entrusted to it by the Board of Directors.

Special attention is paid to the review of the company's quarterly financial information, which is submitted by the CFO. In order to carry out this process, Audit Committee meetings are attended by the internal auditors, the CFO (who is responsible for preparing financial information) and the auditor of the accounts (when considered necessary, but at least twice a year). Their remit is to ensure that the accounting standards in force are properly applied and that the financial information is reliable. Should any possible significant weaknesses be identified in the internal control process, this should be disclosed and the corresponding plan of action drawn up.

The internal auditors prepare and present an annual internal auditing plan, which is reviewed and approved by the Audit Committee. The Internal Audit Department presents the results of its work and the progress it has made at the various Audit Committee meetings held during the

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year. Special emphasis is placed on the weaknesses found in internal controls, for which action plans must have been drawn up with the dates they are to be implemented. Subsequently, the internal auditors are responsible for ensuring that the recommended corrective actions are properly implemented by the corresponding areas.

Prior to the publication of reports by the Audit Committee, the internal auditors discuss the results of their work with the director of the area under review. This therefore ensures smooth communications between all the parties involved.

The external auditors submit a summary each year of the scope, schedule and areas on which they will concentrate their efforts in conducting the audit of the annual accounts, in accordance with the applicable accounting standards. They also meet twice a year with the Audit Committee in order to discuss their conclusions from the work carried out and the areas that could be improved. The internal auditors are told about the weaknesses reported so that they can be remedied in the action plan to be implemented.

The financial information is approved by the Audit Committee once it has held the meetings required with the internal auditors, the external auditors and the CFO. It is also sent to Fluidra's Board of Directors so that it can be filed and, if necessary, sent to the securities market authorities.

F.6. Other relevant information

Fluidra has always had a firm commitment to rigour insofar as the financial information control systems are concerned. As a result of the policies and procedures implemented over time, no significant shortfalls have ever been encountered in the past or in the 2011 business year. The shortfalls that have been identified in the past have not been very relevant and in all cases corrective measures have been taken to resolve them and prevent them from occurring again in the future.

The analysis of risks related to financial information and the control systems in place fall within the framework of the analysis for identifying and assessing the risks of the business.

During this business year and previous ones, Fluidra conducted an analysis of the identification and assessment of the group's business risks related to its activities and the economic climate, as well as of all the controls associated with each of them. The risk assessment took into consideration strategic, financial, operational and unforeseeable risks. Based on this analysis, the main risks of the business were identified and prioritised in line with the probability that they could occur, and according to the impact or effect that they could have on the company. At the same time, the controls that Fluidra has for monitoring these risks were identified. They were then classified in terms of their degree of effectiveness and the need to make them more robust, based on which a risk map for Fluidra was developed. In past business years, work has been carried out to improve the analysis of the information systems that make it possible to control and manage the risks identified and the measures foreseen to mitigate their impact should they actually occur. The ultimate aim of this process is to ensure an acceptable level of risk and to identify contingent liabilities and/or risks not included in the balance sheet.

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Fluidra regularly updates its business risk identification and assessment control mechanisms based on its activity and the current climate, as well as the controls associated with these risks, for which particular emphasis is placed on those classified as high risk and/or are subject to weak controls.

It is important for Fluidra to regularly identify the improvements to these measures and controls in order to improve current risk management practices and make them more efficient and effective.

F.7. External auditor's report

F.7.1. State whether the information of the ICSFI sent to the markets has been subject to review by the external auditor, in which case the company must include the corresponding report as an appendix. Should it fail to do so, the grounds must be given for doing so.

Fluidra has developed a financial information control system that is reliable, transparent and suited to the size and scope of its business. Thus, since Fluidra has been publishing its financial information, the group has maintained sound, robust systems that ensure such information is reliable in accordance with regulations, as borne out by the fact that no corrections due to accounting errors have had to be made, nor have reworded or qualifying statements have had to be issued in the published auditor's reports. Likewise, the Audit Committee has not found itself in situations in which it has had to modify the financial information prepared by the senior management as a result of weaknesses in the internal control systems.

Given this track record, it has been considered that there is no reason for information published taken from the ICSFI to be subjected to an annual review by third parties. Fluidra has concluded that in view of its regular reviews of the financial information, together with the reasons discussed in the above paragraph, there is no need to subject the information for 2011 sent to the markets resulting from the ICSFI to review by the external auditor. However, this does not preclude the possibility of such a review in future years within the framework of a regular review of the ICSFI.

Finally, it should be taken into account that part of the work carried out by the external auditor consists in:

- 1) Identifying weaknesses resulting from the auditing procedures applied, according to the Audit Standards in the context of the audit.
- 2) Reviewing the information in the directors' report (of which the ACGR forms part) to verify that the accounting information contained in it tallies with that found in the annual accounts for the year.

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Memoria de las Cuentas Anuales

Ejercicio 2011

On 26 March 2012 the board of directors of Fluidra, S.A. prepared the annual accounts in accordance with the new Spanish Chart of Accounts approved by Royal Decree 1514/2007, comprising the balance sheet, income statement, statement of recognised income and expenses, statement changes in equity, statement of cash flows, notes to the annual accounts and directors' report for the year ended 31 December 2011. All the members of the board of directors sign this sheet as a sign of conformity and the non-executive Secretary to the Board Mr Albert Collado Armengol has signed each of the pages of the aforementioned documents for identification purposes.

Don Juan Planes Vila

Bansabadell Inversió Desenvolupament, S.A.
Don Carlos Ventura Santamans

Don Eloy Planes Corts

Don Richard Cathcart

Don Bernat Garrigós Castro

Don Kam Son Leong

Don Oscar Serra Duffo

Don Juan Ignacio Acha-Orbea Echeverría

Don Bernardo Corbera Serra

Grupo Corporativo Empresarial de la Caja de Ahorros y Monte
de Piedad de Navarra, S.A.U.
Don Eduardo López Milagro

FLUIDRA, S.A.

Information relating group companies
31 December 2011

Name	Euros						
	% ownership		Capital and share premium	Reserves	Interim dividend	Profit/(Loss) for the year	
	Dir	Ind					
						Total Equity	Carrying amount of investment
						2011	2011
<u>Details of subsidiaries</u>							
<u>Fluidra Comercial, S.A.U. and subsidiaries</u>							
FLUIDRA COMMERCIAL, S.A.U.	100%		70,537,545	23,747,139	-	(770,592)	93,514,09
FLUIDRA ESPAÑA, S.A.U.			1,202,072	16,123,421	-	554,070	17,879,56
SCI 11 RUE DENFERT ROCHEREAU			150,000	(63,275)	-	419,305	506,03
FLUIDRA BELGIQUE, S.R.L.			18,600	395,237	-	200,462	614,29
ASTRAL UK LIMITED			51,603	1,597,093	-	599,963	2,248,65
FLUIDRA DEUTSCHLAND GmbH			4,017,807	(2,197,045)	-	166,876	1,987,63
ASTRAL ITALIA, S.P.A.			620,000	5,430,350	-	63,625	6,113,97
FLUIDRA SERVICES ITALIA, S.R.L.			10,400	51,239	-	(108,486)	(46,847
ASTRAL POOL SWITZERLAND, S.A.			647,478	(450,716)	-	(93,888)	102,87
FLUIDRA EXPORT, S.A.			601,000	639,503	-	1,429,653	2,670,15
YA SHI TU (Ningbo) Water Treatment Equipment, Ltd.			58,612	65,187	-	1,294	125,09
FLUIDRA MIDDLE EAST FZE			211,231	4,255,243	-	2,935,852	7,402,32
FLUIDRA TR SU VE HAVUZ EKIPMANLARI AS			168,796	1,818,591	-	1,081,547	3,068,93
FLUIDRA MAROC, S.A.R.L.			311,143	1,295,633	-	337,218	1,943,99
ASTRAL BAZENOVE PRISLUSENTSVI, S.R.O.			71,395	1,879,060	-	880,253	2,830,70
FLUIDRA DANMARK AS			63,652	1,091,131	-	50,826	1,205,60
ZAO ASTRAL SNG			194,936	37,256	-	551,159	783,35
FLUIDRA MAGYARORSZÁG Kft.			140,426	610,648	-	(41,652)	709,42
FLUIDRA CHILE S.A.			2,131,863	(251,591)	-	156,496	2,036,76

FLUIDRA, S.A.

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Information relating group companies
31 December 2011

Name	Euros						
	% ownership		Capital		Total Equity		Carrying amount of investment
	Dir	Ind	and share premium	Reserves	Interim dividend	Profit/(Loss) for the year	
						2011	2011
FLUIDRA POLSKA, SP. Z.O.O.	95%		99,293	472,012	-	120,443	691,748
ASTRAL INDIA Pvt. Ltd.	85%		94,696	902,956	-	399,557	1,397,209
FLUIDRA PORTUGAL, LDA.	91%		920,641	5,270,421	-	(592,738)	5,598,324
FLUIDRA HELLAS, S.A.	97%		5,541,250	379,630	-	(716,699)	5,204,181
ASTRAL POOL MEXICO, S.A. DE C.V.	94%		2,864,608	(2,788,943)	-	(459,842)	(384,177)
CATPOOL S.A. de C.V.	93%		447,472	(101,912)	-	(45,348)	300,212
POOL SUPPLIER, S.L.U.	100%		1,753,100	901,724	-	161,064	2,815,888
TURCAT POLYESTER SANAYI VE TICARET A.S.	50%		79,200	219,154	-	1,573	299,927
ASTRAL HOLDINGS AUSTRALIA PTY LTD (3)	100%		145,450	10,583,692	-	1,910,051	12,639,192
ASTRAL POOL HONG KONG CO, Ltd.	100%		994	119,196	-	143,576	263,765
FLUIDRA BALKANS, J.J.C.	66,67%		69,025	381,987	-	169,992	621,004
FLUIDRA SINGAPORE PTE. LTD	100%		217,350	486,213	-	253,216	956,779
ASTRAL POOL CYPRUS, LTD.	80%		201,000	470,075	-	349,095	1,020,169
SSA FLUIDRA ÖSTERREICH PRIVATE GmbH (4)	95%-100%		1,158,434	2,251,338	-	1,135,117	4,544,889
FLUIDRA MEXICO, S.A. DE CV	100%		2,562,201	(34,769)	-	(837,604)	1,689,828
FLUIDRA EGYPT, Egyptian Limited Liability Company	90%		32,611	(64,377)	-	252,162	220,396
W.I.T. EGYPT, Egyptian Limited Liability Company	100%		32,436	4,406	-	876	37,718
SPLASH WATER TRADERS PRIVATE LTD	85%		1,660	(11,839)	-	(148,651)	138,471

FLUIDRA, S.A.

Information relating group companies
31 December 2011

Name	% ownership		Euros					Carrying amount of investment
	Dir	Ind	Capital		Interim dividend	Profit/(Loss) for the year	Total Equity	
			and share premium	Reserves				
YA SHI TU SWIMMING POOL EQUIPMENT (SHANGHAI) Co. Ltd.		100%	85,183	251,886	-	355,341	692,411	
MTH-Moderne Wassertechnik AG		100%	103,000	201,098	-	176,624	480,722	
ASTRAMATIC, S.A.		100%	180,300	524,567	-	(553,636)	151,231	
FLUIDRA SOUTH AFRICA (Pty), Ltd.		100%	1,698,818	(181,455)	-	(783,241)	734,122	
WAY FIT, S.L.		70%	35,000	642,683	-	351,566	1,029,249	
ASTRAL POOL (THAILAND) CO, Ltd.		99%	80,740	408,856	-	343,565	833,162	
FLUIDRA (THAILAND) CO, Ltd.		100%	4,570	1,902	-	(2,753)	3,719	
PROCEPEX, S.R.L.		100%	363,843	130,303	-	348	494,494	
CEPEX S.R.L.		79%	101,490	2,551,885	-	517,643	3,171,018	
CEPEX USA INC.		90%	350,447	(260,168)	-	(83,775)	6,505	
CEPEX MEXICO, S.A. DE C.V.		100%	633,090	510,980	-	(286,213)	857,857	
AGROCEPEX, S.A.L.L.		100%	8,938	(1,551)	-	(26,616)	(19,229)	
CERTIKIN MIDDLE EAST FZE		100%	414,015	(44,965)	-	(12,258)	356,792	
INQUIDE ITALIA, S.R.L.		85%	520,000	1,259,676	-	127,737	1,907,413	
FLUIDRA ADRIATIC, D.O.O.		60%	10,000	(6,265)	-	196,104	199,839	
PØLEG & TEKNIK A/S		51%	67,074	65	-	(56,303)	10,837	
FLUIDRA MALAYSIA SDN.BHD.		100%	0	1,563	-	37,769	39,333	
ASTRAMATIC MALAYSIA SDN.BHD.		100%	22,625	18,578	-	407,095	448,299	
FLUIDRA BRASIL PARTICIPAÇÕES, LTDA		100%	336,540	8,974	-	(74,521)	270,993	

FLUIDRA, S.A.

Information relating group companies
31 December 2011

Name	% ownership		Euros					Carrying amount of investment	
	Dir	Ind	Capital		Reserves	Interim dividend	Profit/(Loss) for the year		Total Equity
			and share premium						
								2011	2011
<u>Fluidra Industry, S.A.U. and subsidiaries</u>									
FLUIDRA INDUSTRY, S.A.U.	100%		60,242,000	8,204,227	-	9,465,716	77,911,942	89,377,685	
METALAST, S.A.U.	100%		601,056	11,471,075	-	3,154,215	15,226,347		
POLTANK, S.A.U.	100%		601,010	8,045,799	-	908,202	9,555,011		
SACOPA, S.A.U.	100%		601,000	7,285,501	-	4,911,692	12,798,192		
UNISTRAL RECAMBIOS, S.A.U.	100%		60,110	701,140	-	706,388	1,467,638		
TALLERES DEL AGUA, S.L.	100%		2,203,753	1,753,404	-	(204,366)	3,752,792		
MABER PLAST, S.L.	100%		12,020	1,281,713	-	202,676	1,496,409		
TOGAMA, S.A.	100%		3,275,734	(786,919)	-	(1,025,955)	1,462,860		
PRODUCTES ELASTOMERS, S.A.	70%		60,200	73,875	-	8,039	142,114		
NINGBO LINYA SWIMMING POOL & WA TREATMENT CO., LTD.	100%		1,114,323	1,275,307	-	513,106	2,902,736		
TURCAT POLYESTER SANAYI VE TICARET, A.S.	50%		79,200	219,153	-	1,573	299,927		
AQUANT TRADING CO, Ltd.	100%		491,992	(155,591)	-	36,418	372,818		
NINGBO DONGCHUAN SWIMMINGPOO	70%		905,369	1,460,591	-	778,601	3,144,561		
I.D. ELECTROQUÍMICA, S.L.	60%		3,720	3,213,328	-	1,396,559	4,613,607		
PACIFIC INDUSTRIES, S.A.S.	100%		167,694	2,476,136	-	406,596	3,050,426		
CEPEX S.A.U.	100%		60,200	15,694,694	-	4,373,217	20,128,111		
INQUIDE, S.A.U.	100%		10,293,709	(81,723)	-	(1,404,087)	8,807,899		
INDUSTRIAS MECANICAS LAGO, S.A.U.	100%		60,110	1,043,118	-	982,416	2,085,644		
LOITECH (NINGBO) HEATING EQUIPME CO, Ltd.	80%		655,125	525,830	-	138,654	1,319,609		
SCI LA CERISAY	100%		1,524	-	-	135,070	136,594		

FLUIDRA, S.A.

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Information relating group companies
31 December 2011

Name	Euros					
	% ownership		Capital and share premium	Reserves	Interim dividend	Profit/(Loss) for the year
	Dir	Ind				
APLICACIONES TÉCNICAS HIDRÁULICAS, S.L.		100%	120,202	4,967,787	-	222,813
FLUIDRA USA LLC		100%	76	135,694	-	-
US POOL HOLDINGS, INC		100%	15,679,266	4,097	-	(139)
AQUA PRODUCTS, INC		100%	10,871,037	5,795,504	-	2,500,396
P.S.I. POOL SERVICES ISRAEL LTD		100%	17,281,491	145,594	-	932,294
<u>Swimco Corp, S.L.U. and subsidiaries</u>						
SWIMCO CORP., S.L.	100%		33,509,182	22,945,710	-	5,461,924
MANUFACTURAS GRE, S.A.		100%	445,343	7,266,110	-	3,110,800
PISCIWELLNESS DOMICILIARIO, S.L.U.		100%	3,010	(364)	-	2,64
CERTIKIN ITALIA, S.p.A.		95%	581,772	1,116,175	-	(381,091)
ME 2000, S.R.L.		100%	10,000	51,884	-	(14,951)
CERTIKIN INTERNATIONAL, LTD.		100%	1,500,003	3,847,445	-	1,107,146
HYDROSWIM International, S.A.S.		100%	1,652,500	(1,904,757)	-	(85,233)
CERTIKIN POOL IBERICA, S.L.		100%	203,100	3,335,331	-	1,696,663
CERTIKIN SWIMMING POOL PRODUCTS INDIA PRIVATE LIMITED		100%			-	5,235,09
CALDERERÍA PLÁSTICA DEL NORTE, S.L. (4)		100%	128,341	154,143	-	96,277
AQUAAMBIENTE, S.A.		80%-100%	48,081	643,954	-	214,371
		80%	450,000	1,085,762	-	(4,936)
						1,530,82
						60.437.78€

Euros									Carrying amount of investment	
Name	% ownership		Dir	Ind	Capital		Interim dividend	Profit/(Loss) for the year	Total Equity	
					and share premium				2011	
					Reserves					
<u>Fluidra France, S.A.S. and subsidiaries</u>										
FLUIDRA SERVICES FRANCE, S.A.S.	100%				21,920,200	(4,236,599)	-	(164,902)	17,518,69	21,920,166
ASTRAL PISCINE, S.A.S.		100%			4,777,889	1,714,460	-	1,855,019	8,347,36	
BLUE WATER PARTS, S.A.S.		100%			300,000	(407,122)	-	24,084	(83,03)	
EUROPEENNE DE COUVERTEURS AUTOMATIQUES S.A.R.L.		100%			2,050,000	345,718	-	(592,106)	1,803,61	
IRRIGARONNE, S.A.S.		100%			969,419	2,764,429	-	163,519	3,897,36	
CERTIKIN FRANCE, S.A.R.L.		100%			2,406,000	(425,201)	-	(2,047,216)	(66,41)	
<u>Inmobiliaria Swim 38, S.L.U. and subsidiaries</u>										
INMOBILIARIA SWIM 38, S.L.	100%				3,100	126,796	-	(2,479)	127,41	3,100
A.P. IMMOBILIERE		100%			10,000	544,038	-	116,144	670,18	
<u>TRACE LOGISTICS, S.A.</u>										
ACCENT GRAPHIC, S.L.	100%				4,509,000	163,818	-	320,716	4,993,53	4,417,167
FLUIDRA SERVICES ESPAÑA, S.L.U.	100%				72,120	586,196	-	149,356	807,67	144,212
FLUIDRA SERVICES PORTUGAL, Unipessoal Lda	100%				3,100	0	-	(237,360)	(234,26)	-
	100%				5,000	53,593	-	11,791	70,38	5,000

FLUIDRA, S.A

Information relating group companies
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Name	Euros					
	% ownership		Capital and share premium	Reserves	Interim dividend	Profit/(Loss) for the year
	Dir	Ind				
						Carrying amount of investment
						Total Equity
						2011
						2011
<u>Detail of associates</u>						
INQUEVAP ENERGIA, S.L.		30%	323,224	95,748	-	122,557
ASTRAL NIGERIA, LTD. (1)		25%	8,772	105,840	-	(24,656)
						541,529
						89,957
<u>Detail of other companies</u>						
DISCOVERPOOLS COM, INC. (2)		11%	84,000	-	-	-
						84,000

(1) Companies belonging to the subgroup Fluidra Commercial, S.A. and subsidiaries.

(2) Companies belonging to the subgroup Fluidra Commercial, S.A. and subsidiaries and to the subgroup Fluidra Industry, S.A. and subsidiaries.

(3) Astral Holdings Australia Pty Ltd are a group of companies in which the parent holds 100% of the capital of Astral Pool Australia Pty Ltd, Hurlcon Staffing Pty Ltd, Hurlcon Investments Pty Ltd, Hurlcon Research Pty Ltd, Rolachem Pty Ltd and Hendy Manufacturing Pty Ltd.

(4) Companies in which there is a put option on part or all the % ownership.

FLUIDRA, S.A.

Information relating group companies
31 December 2010

Name	Euros						
	% ownership		Capital and share premium	Reserves	Interim dividend	Profit/(Loss) for the year	Total Equity
	Dir	Ind					
	Carrying amount of investment						
		2010	2010				
Details of subsidiaries							
Fluidra Commercial, S.A.U. and subsidiaries							
FLUIDRA COMMERCIAL, S.A.U.	100%		70,537,545	20,597,054	-	8,834,242	99,968,840
FLUIDRA ESPAÑA, S.A.U.		100%	1,202,072	20,587,414	-	(258,591)	21,530,895
SCI 11 RUE DENFERT ROCHEREAU		50%	150,000	(39,868)	-	(23,407)	86,725
ASTRAL POOL BELGIQUE, S.R.L.		100%	18,600	146,707	-	248,530	413,837
ASTRAL UK LIMITED		100%	51,603	1,512,200	-	521,538	2,085,342
FLUIDRA DEUTSCHLAND GmbH		100%	4,017,807	(372,425)	-	(1,824,620)	1,820,762
ASTRAL ITALIA, S.P.A.		100%	620,000	5,369,895	-	60,455	6,050,350
FLUIDRA SERVICES ITALIA, S.R.L.		100%	10,400	136,997	-	(85,757)	61,640
ASTRAL POOL SWITZERLAND, S.A.		100%	647,478	(469,708)	-	14,734	192,504
ASTRAL EXPORT, S.A.		95%	601,000	639,503	-	1,329,466	2,569,969
YA SHI TU (Ningbo) Water Treatment Equipment, Ltd.		95%	58,612	59,531	-	(3,822)	114,321
FLUIDRA MIDDLE EAST FZE		100%	211,231	3,899,117	-	2,854,353	6,964,702
FLUIDRA TR SU VE HAVUZ EKIPMANLARI AS		51%	168,796	1,819,163	-	1,007,340	2,995,299
FLUIDRA MAROC, S.A.R.L.		96%	311,143	976,933	-	325,956	1,614,032
ASTRAL BAZENOVE PRISLUSENTSVI, S.R.O.		100%	71,395	2,011,739	-	901,778	2,984,913
ASTRAL SCANDINAVIA AS		100%	63,652	1,087,307	-	39,633	1,190,592
ZAO ASTRAL SNG		70%	194,936	513,858	-	(93,953)	614,841
FLUIDRA MAGYARORSZÁG Kft.		90%	140,941	667,464	-	37,066	845,471
FLUIDRA CHILE S.A.		99%	2,131,863	207,718	-	(270,200)	2,069,382
FLUIDRA POLSKA, SP. Z.O.O.		95%	99,293	559,006	-	182,958	841,257

FLUIDRA, S.A.

Information relating group companies
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Name	% ownership		Euros					Carrying amount of investment
	Dir	Ind	Capital		Interim dividend	Profit/(Loss) for the year	Total Equity	
			and share premium	Reserves				
							2010	2010
ASTRAL INDIA Pvt. Ltd.		85%	94,696	587,191	-	747,974	1,429,860	
FLUIDRA PORTUGAL, LDA.		91%	920,641	5,198,475	-	287,786	6,406,902	
FLUIDRA HELLAS, S.A.		80%	841,250	251,111	-	128,518	1,220,879	
FLUIDRA USA, INC.		100%	5,052,800	(4,437,702)	-	(697,233)	(82,135)	
ASTRAL POOL MEXICO, S.A. DE C.V.		94%	2,864,608	(2,064,462)	-	(735,093)	65,053	
CATPOOL S.A. de C.V.		93%	447,472	(68,805)	-	(3,431)	375,237	
POOL SUPPLIER, S.L.U.		100%	3,100	515,336	-	386,388	904,823	
TURCAT POLYESTER SANAYI VE TICARET A.S.		50%	79,200	264,459	-	9,319	352,978	
ASTRAL HOLDINGS AUSTRALIA PTY LTD (3)		100%	145,450	8,729,541	-	2,516,221	11,391,212	
ASTRAL HONG KONG CO, Ltd.		100%	994	97,784	-	214,702	313,479	
FLUIDRA SINGAPORE PTE. LTD		100%	217,350	180,943	-	281,624	679,916	
SSA FLUIDRA ÖSTERREICH PRIVATE GmbH (4)		100%	1,158,434	2,085,885	-	962,064	4,206,384	
FLUIDRA MEXICO,S.A. DE CV		95%-100%	3,093	(729)	-	(65,000)	(62,636)	
FLUIDRA EGYPT, Egyptian Limited Liability Company		90%	32,611	2,431	-	(83,203)	(48,160)	
W.I.T. EGYPT, Egyptian Limited Liability Company		100%	32,436	(1,209)-	-	6,442	37,669	
SPLASH WATER TRADERS PRIVATE LTD		85%	1,673	0	-	(5,465)	(3,791)	
FLUIDRA BALKANS JSC		67%	69,025	343,733	-	38,254	451,013	
FLUIDRA CYPRUS, LTD		80%	200,000	382,178	-	93,050	675,228	
YA SHI TU SWIMMING POOL EQUIPMENT (SHANGHAI) Co. Ltd.		100%	85,183	195,897	-	307,277	588,357	
MTH-Moderne Wassertechnik AG		100%	103,000	215,355	-	(14,257)	304,098	
ASTRAMATIC, S.A.		100%	180,300	675,277	-	(150,709)	704,867	
FLUIDRA SOUTH AFRICA (Pty). Ltd.		100%	103,040	(57,424)	-	(9,555)	36,061	
WAY FIT, S.L.		70%	35,000	156,348	-	320,702	512,050	

FLUIDRA, S.A.

Information relating group companies
31 December 2010

Name	Euros							
	% ownership		Capital and share premium	Reserves	Interim dividend	Profit/(Loss) for the year	Total Equity	Carrying amount o finvestment
	Dir	Ind						
							2010	2010
ASTRAL POOL (THAILAND) CO, Ltd.		99%	80,740	145,004	-	258,626	484,37	
FLUIDRA (THAILAND) CO, Ltd.		100%	4,570	(412)	-	2,569	6,72	
PROCEPEX, S.R.L.		100%	363,843	130,595	-	3,234	497,67	
CEPEX ITALIA S.R.L.		79%	101,490	2,551,885	-	500,030	3,153,40	
CEPEX USA INC.		90%	350,447	(277,388)	-	21,016	94,07	
CEPEX MEXICO, S.A. DE C.V.		100%	633,090	566,825	-	37,234	1,237,14	
AGROCEPEX, S.A.L.L.		56%	8,938	(10,988)	-	9,822	7,77	
CERTIKIN MIDDLE EAST FZE		100%	414,015	118,470	-	(171,499)	360,98	
INQUIDE ITALIA, S.R.L.		85%	520,000	1,376,160	-	1,698,517	3,594,67	
<u>Fluidra Industry, S.A.U. and subsidiaries</u>								54,377,685
FLUIDRA INDUSTRY, S.A.U.	100%		25,242,000	13,369,042	-	(5,147,846)	33,457,95	
METALAST,S.A.U.		100%	601,056	11,478,536	-	2,962,194	15,041,06	
POLTANK, S.A.U.		100%	601,010	3,585,584	-	1,144,353	5,330,94	
SACOPA, S.A.U.		100%	601,000	7,296,034	-	5,237,885	13,133,90	
UNISTRAL RECAMBIOS, S.A.U.		100%	60,110	701,140	-	712,729	1,473,97	
TALLERES DEL AGUA, S.L.		100%	3,756	1,674,970	-	78,434	1,757,16	
MABER PLAST, S.L.		100%	12,020	1,109,759	-	171,955	1,293,73	
TOGAMA, S.A.		100%	1,875,710	(788,869)	-	(498,050)	588,79	
LLIERCA NAUS, S.A.		100%	60,110	304,116	-	182,924	547,15	
PRODUCTES ELASTOMERS, S.A.		70%	60,200	21,547	-	52,328	134,075	
NINGBO LINYA SWIMMING POOL & WATER TREATMENT CO., LTD.		100%	1,114,323	875,040	-	963,422	2,952,78	
TURCAT POLYESTER SANAYI VE TICARET,A.S.		50%	79,200	264,459	-	9,319	5	352,978

FLUIDRA, S.A.
Information relating group companies
31 December 2010

Euros										
Name	% ownership		Capital and share capital				Interim dividend	Profit/(Loss) for the year	Total equity	Carrying amount of investment
	Dir	Ind	Capital and share capital		Reserves					
ROTOPLASTICS, S.L.		100%	100,000		(149,606)	-	(9,204)	(58,810)		
AQUANT TRADING CO, Ltd.		100%	491,992		(96,340)	-	(88,137)	307,514		
NINGBO DONGCHUAN SWIMMINGPOOL		70%	905,369		935,245	-	928,037	2,768,651		
I.D. ELECTROQUÍMICA, S.L.		60%	3,720		2,739,567	-	947,522	3,690,809		
PACIFIC INDUSTRIES, S.A.S.		100%	167,694		2,528,367	-	768,289	3,464,350		
CEPEX S.A.U.		100%	60,200		15,712,030	-	4,014,541	19,785,103		
INQUIDE, S.A.U.		100%	2,303,732		(74,307)	-	(710,569)	1,518,197		
INDUSTRIAS MECANICAS LAGO, S.A.U.		100%	60,110		1,043,118	-	795,470	1,898,698		
LOITECH (NINGBO) HEATING EQUIPMENT CO, Ltd.		80%	655,125		171,691	-	361,619	1,188,435		
SERVAQUA, S.A.		100%	420,720		3,163,867	-	(171,317)	3,413,270		
SCI LA CERISAY		100%	1,524		-	-	(54,383)	(52,859)		
APLICACIONES TÉCNICAS HIDRÁULICAS, S.L. (4)		80%-100%	120,202		4,967,787	-	295,036	5,383,025		
<u>Swimco Corp. S.L.U. and subsidiaries</u>										
SWIMCO CORP., S.L.	100%		33,509,182		22,529,092	-	4,166,185	60,204,459		60,437,7€
MANUFACTURAS GRE, S.A.		100%	445,343		5,953,620	-	2,923,729	9,322,692		
PISCWELLNESS DOMICILIARIO, S.L.U.		100%	3,010		(364)	-	2,646	5,292		
CERTIKIN ITALIA, S.p.A. (4)		90%-95%	581,772		1,112,065	-	4,110	1,697,947		
ME 2000, S.R.L.		100%	10,000		60,185	-	(8,301)	61,884		
CERTIKIN INTERNATIONAL, LTD.		100%	1,500,003		3,195,946	-	1,264,624	5,960,573		
HYDROSWIM International, S.A.S.		100%	1,652,500		(1,987,881)	-	83,124	(252,257)		
CERTIKIN POOL IBERICA, S.L.		100%	203,100		3,196,659	-	277,342	3,677,102		

FLUIDRA, S.A.

Information relating group companies
31 December 2010

Euros										Total equity	Carrying amount of investments
Name		% ownership		Capital and share capital		Reserves	Interim dividend	Profit/(Loss) for the year	2010		
Dir	Ind										
CERTIKIN SWIMMING POOL PRODUCTS INDIA PRIVATE LIMITED											
		100%		128,341	69,424	-	132,142	329,907			
CALDERERÍA PLÁSTICA DEL NORTE, S.L. (4)											
		80%-100%		48,081	641,301	-	406,918	1,096,300			
AQUAAMBIENTE, S.A.											
		80%		450,000	642,391	-	443,371	1,535,762			
Fluidra France, S.A.S. and subsidiaries											
100%				21,920,200	4,871	-	(4,891,636)	17,033,435	21,920,166		
FLUIDRA SERVICES FRANCE, S.A.S.											
		100%		4,777,889	2,800,414	-	1,403,446	8,981,749			
ASTRAL PISCINE, S.A.S.											
		100%		300,000	(434,334)	-	27,212	(107,122)			
BLUE WATER PARTS, S.A.S.											
		100%		100,000	337,839	-	(142,121)	295,717			
EUROPEENNE DE COUVERTEURS AUTOMATIQUES S.A.R.L.											
		100%		969,419	3,349,697	-	135,732	4,454,848			
IRRIGARONNE, S.A.S.											
		100%		1,456,000	(442,541)	-	(1,332,496)	(319,037)			
CERTIKIN FRANCE, S.A.R.L.											
Inmobiliaria Swim 38, S.L.U. and subsidiaries											
100%				3,100	152,436	-	(25,640)	129,896	3,100		
INMOBILIARIA SWIM 38, S.L.											
		100%		10,000	430,996	-	113,041	554,037			
A.P. IMMOBILIERE											
TRACE LOGISTICS, S.A.											
		100%		4,509,000	(3,748)	-	167,566	4,672,818	4,417,167		
ACCENT GRAPHIC, S.L.											
		100%		72,120	427,919	-	316,555	816,594	144,212		
FLUIDRA SERVICES ESPAÑA, S.L.U.											
		100%		3,100	-	-	(230,775)	(227,675)	0		
FLUIDRA SERVICES PORTUGAL, Unipessoal Lda											
		100%		5,000	-	-	53,592	58,592	5,000		

FLUIDRA, S.A.

Information relating group companies
31 December 2010

Name	Euros						Carrying amount of investment
	% ownership		Capital and share premium	Reserves	Interim dividend	Profit/(Loss) for the year	
	Dir	Ind					
	Total Equity						
		2010		2010			
<u>Detalle de sociedades asociadas</u>							
INQUEVAP ENERGIA, S.L.		30%	323,224	(21,221)	-	143,225	445,228
ASTRAL NIGERIA, LTD. (1)		25%	8,772	199,085	-	130,844	338,700
<u>Detalle de sociedades integradas al Cost</u>							
DISCOVERPOOLS COM, INC. (2)		11%	84,000	-	-	-	84,000

(1) Companies belonging to the subgroup Fluidra Commercial, S.A. and subsidiaries.

(2) Companies belonging to the subgroup Fluidra Commercial, S.A. and subsidiaries and to the subgroup Fluidra Industry, S.A. and subsidiaries.

(3) Astral Holdings Australia Pty Ltd are a group of companies in which the parent holds 100% of the capital of Astral Pool Australia Pty Ltd, Hurlcon Staffing Pty Ltd.

Hurlcon Investments Pty Ltd, Hurlcon Research Pty Ltd, Rolachem Pty Ltd andy Hendy Manufacturing Pty Ltd.

(4) Companies in which there is a put option on part or all the % ownership.

FLUIDRA, S.A.

Details of the statutory activity
of subsidiaries, associates
and jointly controlled entities in which the Group holds direct and indirect interests
31 December 2011

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Fully consolidated subsidiaries

- Fluidra Commercial, S.A.U. (merged with Fluidra Commercial Services, S.L.U. and ADBE Cartera, S.A.U.), with registered offices in Sabadell (Barcelona), dedicated to the holding and use of stocks and shares and advising, managing and administering the companies in which it has an interest.
- Fluidra España, S.A.U., with registered offices in Polinyà (Barcelona), dedicated to the manufacture, sale and purchase and distribution of all types of machinery, equipment, components and parts of machinery, instruments, accessories and specific products for swimming pools, irrigation, and water treatment and purification systems.
- SCI 11 Rue Denfert Rochereau, with registered offices in Saint Dennis (France), operates in the real estate sector.
- Astral Piscine, S.A.S., with registered offices in Perpignan (France), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Fluidra Belgique, S.R.L. (before named Astral Pool Belgique, S.R.L.) with registered offices in Carcelles (Belgium), the statutory activity of which is the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Astral UK, Ltd., with registered offices in Hants (England), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Fluidra Deutschland, GMBH, with registered offices in Hirschberg (Germany), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Astral Italia, S.P.A., with registered offices in Brescia (Italy), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Fluidra Services Italia, S.R.L. with registered offices in Brescia (Italy), the statutory activity of which involves rendering services and conducting real estate activities.
- Astral Pool Switzerland, S.A., with registered offices in Bedano (Switzerland), the principal activity of which is the commercialisation of swimming pool-related materials.
- Fluidra Export, S.A. (before named Astral Export, S.A.), with registered offices in Sabadell (Spain) is dedicated to trading all type of products and goods on both domestic and foreign markets, whilst its principal activity involves the commercialisation of swimming pool-related products, basically acquired from related companies.
- Fluidra Middle East, Fze., with registered offices in Jebel Ali (Dubai), dedicated to the commercialisation of equipment for swimming pools and water treatment and related accessories.
- Fluidra Tr Su Ve Havuz Ekipmanlari AS, with registered offices in Kartal (Turkey), dedicated to the import of equipment, chemical products and other accessories for swimming pools, for their subsequent distribution.

FLUIDRA, S.A.

Details of the statutory activity
of subsidiaries, associates
and jointly controlled entities in which the Group holds direct and indirect interests
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- Fluidra Maroc, S.A.R.L., with registered offices in Casablanca (Morocco), the statutory activity of which is the import, export, manufacture, commercialisation, sale and distribution of parts for swimming pools, irrigation and water treatment systems.
- Astral Bazénové Příslušenství Spol. S.R.O., with registered offices in Praha-Vychod (the Czech Republic), the principal activity of which is the commercialisation of swimming pool-related accessories.
- Fluidra Danmark A/S (before named Astral Scandinavia, A/S), with registered offices in Roedekro (Denmark), importer of technical components and equipment for all types of water treatment processes.
- Zao "Astral Sng", with registered offices in Moscow (Russia), the principal activity of which is the purchase of swimming pool-related materials for their subsequent sale on the domestic market.
- Fluidra Magyarország, kft., with registered offices in Budapest (Hungary), the principal activity of which is the commercialisation and assembly of machinery and accessories for swimming pools, irrigation and water treatment and purification systems.
- Fluidra Polska SP. Z.o.o., with registered offices in Wrocław (Poland), the principal activity of which is the commercialisation of swimming pool-related accessories.
- Fluidra Chile, S.A., with registered offices in Santiago de Chile (Chile), the principal activity of which is the distribution and commercialisation of products for swimming pools, irrigation and water treatment and purification systems.
- Astral Pool México, S.A. de C.V., with registered offices in Tlaquepaque (Mexico), the principal activity of which is the commercialisation of swimming pool-related materials.
- Fluidra USA, Inc. (merged with Fluidra USA, Inc.), with registered offices in Jacksonville (USA), dedicated to the commercialisation of swimming pool-related products and accessories.
- Astral India PVT LTD, with registered offices in Mumbai (India), the principal activity of which is the commercialisation of swimming pool-related materials.
- Fluidra Portugal, LDA, with registered offices in São Domingo da Rana (Portugal), dedicated to the manufacture, sale and purchase, distribution commercialisation, export and import of all types of swimming pool-related products.
- Pool Supplier, S.L.U., with registered offices in Polinyà (Barcelona), dedicated to the sale and purchase of swimming pool-related products and the distribution of these products among group companies.
- Fluidra Hellas, S.A. with registered offices in Aspropyrgos (Greece), the principal activity of which is the distribution of swimming pool-related materials.
- Ya Shi Tu (Ningbo Water Treatment Equipment, LTD), with registered offices in Donquiao Town (China), the principal activity of which is the commercialisation of swimming pool-related products.
- Catpool SA de C.V., with registered offices in Mexico DF (Mexico), the principal activity of which is the purchase, sale and distribution of chemical products related with the maintenance of swimming pools and water systems.

FLUIDRA, S.A.

Details of the statutory activity
of subsidiaries, associates
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31 December 2011

- Astral Pool Australia PTY LTD, with registered offices in Melbourne (Australia), the principal activity of which is the purchase, sale, production and distribution of machinery, equipment, products and special equipment for the maintenance of swimming pools and water systems. This is the Parent company of the group Astral Holdings Australia Pty Ltd, which parent has the 100% of the capital shares of the companies Hurlcon Staffing Pty Ltd, Hurlcon Investments Pty Ltd., Hurlcon Research Pty Ltd. (non-active company), Rolachem Pty Ltd. (non-active company) and Hendy Manufacturing Pty Ltd. (winded up) and also Astral Pool Australia Pty Ltd.
- Astral Pool Hongkong CO. LTD, with registered offices in Hong Kong (Hong Kong), the principal activity of which is the commercialisation of swimming pool accessories.
- Fluidra Singapore PTE LTD (before named Astral Pool Singapore PTE LTD), with registered offices in Singapore (Singapore), the principal activity of which is the commercialisation of swimming pool accessories.
- Fluidra Balkans JSK, with registered offices in Plovdiv (Bulgaria), the principal activity of which is the purchase, sale and distribution of machinery, equipment, materials, products and special equipment for the maintenance of swimming pools and water systems.
- Ya Shi Tu Swimming Pool Equipment (Shanghai) Co. Ltd., with registered offices in Tower E, Building 18, num. 238, Nandandong Road, Xu Hui District (Shanghai), the principal activity of which is the commercialisation of swimming pool products.
- MTH Moderne Wassertechnik AG, with registered offices in Gilching (Germany), the principal activity of which is the purchase, sale, production and distribution of machinery, equipment, products and special equipment for the maintenance of swimming pools and water systems.
- Blue Water Parts, S.A.S., with registered offices in Villeurbanne (France), mainly dedicated to selling replacement materials for swimming pools.
- Astral Pool Cyprus LTD, with registered offices in Limassol (Cyprus), the principal activity of which is the distribution of swimming pool-related products.
- Metalast, S.A.U., with registered offices in Polinyà (Barcelona), dedicated to the manufacture of metal products, piping and street furniture, and the wholesale of accessories.
- Poltank, S.A.U. (merged with Servaqua, S.A.U. and Llierca Naus, S.A.), with registered offices in Tortellà (Girona), the statutory activity of which involves the manufacture and commercialisation of swimming pool filters by injection-moulding, projection or lamination.
- Sacopa, S.A.U., with registered offices in Sant Jaume de Llierca (Girona), the principal activity of which is the transformation and commercialisation of plastic materials.
- Unistral Recambios, S.A.U., with registered offices in Massanet de la Selva (Girona), the statutory activity of which involves the manufacture, sale and purchase and distribution of machinery, accessories, spare parts, components and specific products for the treatment and purification of water.
- Talleres del Agua, S.L., with registered offices in Polígono Industrial de Barros, Ayuntamiento de los Corrales de Buelna (Cantabria), the statutory activity of which involves the construction, sale, installation, conditioning and maintenance of swimming pools, as well as the manufacture, sale and purchase, import and export of all types of swimming pool-related tools.
- Maber Plast, S.L., with registered offices in Sant Joan les Fonts (Girona), the principal activity of which is the transformation of plastic materials.

FLUIDRA, S.A.

Details of the statutory activity
of subsidiaries, associates
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31 December 2011

- Togama, S.A., with registered offices in Villareal (Castellón), the statutory activity of which is the manufacture of ceramic insulators and insulating parts for electrical installations.
- Fluidra Industry, S.A.U., with registered offices in Polinyà (Barcelona), dedicated to the holding and use of shares and advising, managing and administrating the companies in which it has an interest.
- Productes Elastomers, S.A. with registered offices in Sant Joan Les Fonts (Girona) is dedicated to the manufacture of rubber moulded parts and all kinds of natural rubber and synthetic products; the development of techniques for the maintenance of pressure cylinders; their repair and modification and in general, the preparation, manufacture and transformation of all kinds of rubber and plastic products.
- Ningbo Linya Swimming Pool & Water Treatment Co., with registered offices in Ningbo (China), the statutory activity of which is the design, research and development and manufacture of equipment for swimming pools and water disinfection, pumps, dehumidifiers, metallic products, plastic products and vitreous linings.
- Turcat Polyester Sanayi Ve Ticaret A.S., with registered offices in Istanbul (Turkey), the statutory activity of which is the production, import, export and commercialisation of products and accessories, purification filters and chemical products.
- Européenne de Couverteurs Automatiques, S.A.R.L., with registered offices in Perpignan (France), the statutory activity of which is the manufacture of motorised swimming pool covers.
- Aquant Trading Co. LTD, with registered offices in Shanghai (China), the statutory activity of which is the commercialisation, import and export of swimming pool equipment, accessories and other swimming pool sector-related components, together with the rendering of services related to its statutory activity.
- Ningbo Dongchuan Swimmingpool, with registered offices in Ningbo (China), the statutory activity of which is the manufacture and installation of swimming pool equipment, brushes, plastic and aluminium products, industrial thermometers, water disinfection equipment and water testing equipment. It also imports and exports technology for its own use or as an agent
- ID Electroquímica, S.L., with registered offices in Alicante (Spain), the statutory activity of which is the sale of all kinds of machinery for the development of electrochemical processes and reactors.
- Pacific Industries, S.A.S. with registered offices in Boulazac (France), the statutory activity of which is the manufacture and warehousing of material for water treatment, filtering equipment and domestic and industrial accessories.
- Swimco Corp., S.L., with registered offices in Munguia (Vizcaya) the statutory activity of which involves the holding and use of shares, securities and other interests and advising, managing and administrating the companies in which it has an interest.
- Manufacturas Gre, S.A., with registered offices in Munguia (Vizcaya), the statutory activity of which involves the manufacture and commercialisation of swimming pool-related products, materials and accessories.
- Pisciwelness Domiciliario, S.L.U., with registered offices in Munguia, Vizcaya (Spain). The principal activity of this company is based on the statutory activity which consists of the distribution and sale of swimming pools and spas.
- Certikin Italia, S.p.A., with registered offices in Brescia (Italy), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.

FLUIDRA, S.A.

Details of the statutory activity
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- Me 2000, S.R.L., with registered offices in Brescia (Italy), the statutory activity of which is the development and lease of buildings.
- Certikin Internacional, Ltd., with registered offices in Witney Oxon (England), the principal activity of which is the commercialisation of swimming pool-related products.
- Hydros swim International, S.A.S. (formerly MMC, S.A.S.), with registered offices in La Chevroliere (France), the principal activity of which involves the manufacture and commercialisation of swimming pool filters and pumps.
- Industrias Mecánicas Lago, S.A., with registered offices in Sant Julià de Ramis (Girona), the statutory activity of which involves the manufacture and commercialisation of water pumps, swimming pools and associated accessories.
- Certikin Pool Ibérica S.L., with registered offices in Palafolls (Barcelona), the principal activity of which is the commercialisation of swimming pool-related products.
- Certikin Swimming Pool Products India Private Limited, with registered offices in Bangalore (India), the principal activity of which is the commercialisation of swimming pool-related products.
- Cepex, S.A.U., with registered offices in Granollers, Barcelona (Spain), the principal activity of which is the manufacture and distribution of injected plastics and in particular, plastic parts for valves.
- Pro Cepex, S.A.R.L., with registered offices in Casablanca (Morocco), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex S.R.L., with registered offices in Bedizzole, Brescia (Italy), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex USA Inc., with registered offices in Jacksonville, Florida (USA), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex Mexico, S.A. de CV., with registered offices in Mexico City (Mexico), the principal activity of which is the commercialisation of fluid conduction products.
- Agro Cepex, S.A.R.L., with registered offices in Casablanca (Morocco), the principal activity of which is the commercialisation of fluid conduction products.
- Certikin Middle East, F.Z.E., with registered offices in Dubai (United Arab Emirates), the principal activity of which is the commercialisation of fluid conduction products.
- Irrigaronne, with registered offices in Zone Industriekke 47550, 47000 Agen (France), the activity of which is the assembly and repair of hydraulic installations for irrigation, agricultural hydraulics and mechanised agriculture.
- Inquide, S.A., with registered offices in Polinyà (Barcelona), the principal activity of which is the manufacture of products and chemical specialties in general, with the exclusion of pharmaceuticals.
- Certikin France, S.R.L., with registered offices in Perpignan (France), the principal activity of which is the commercialisation of chemical water disinfection products.
- Inquide Italia, S.R.L., with registered offices in Bedizzole, Brescia (Italy), the principal activity of which is the commercialisation of chemical water disinfection products.

FLUIDRA, S.A.

Details of the statutory activity
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- Aquambiente, S.A., with registered offices in Estrada Nacional 249 – Parque Industrial Cabra Figa, Lote 15 Cabra Figa (Portugal), the principal activity of which is the commercialisation of chemical water disinfection products.
- Astramatic, S.A.U., with registered offices in Les Franqueses del Vallès (Spain), the principal activity of which is the commercialisation and manufacture of industrial water treatment equipment and items to be applied in the water sector.
- S. C.I. Cerisay, with registered offices in Avenue Maurice Bellonte, Perpignan, (France), the principal activity of which is the holding of real estate securities.
- ATH Aplicaciones Técnicas Hidráulicas, S.L., with registered offices in Cervelló, Calle Joan Torruella I Urbina, 31, Barcelona (Spain), the activity of which is the wholesale and retail sale of machinery, materials, tools and accessories for water installations and treatment systems.
- Calderería Plástica del Norte, S.L., with registered offices in Rentería (Guipúzcoa), the principal activity of which is the manufacture and commercialisation of plastic water purifying and treatment equipment.
- Trace Logistics, S.A., with registered offices in Massanet de la Selva (Girona), the statutory activities of which is the consignment of goods in its warehouses and premises for storage, control and distribution to third parties upon request of the consigner; storage, loading and unloading and other supplementary services required to manage the distribution of these goods upon instruction of the consigner, as well as transport hiring and management.
- AP Immobiliere, with registered offices in Perpignan (France), the statutory activity of which is the development and rental of real estate.
- Accent Graphic, S.L., with registered offices in Santa Perpètua de Mogoda (Spain), dedicated to rendering all types of advertising and graphic design services. Responsible for the corporate image of the Astral Group by designing price lists, catalogues, etc.
- Inmobiliaria Swim 38, S.L.U., with registered offices in Sabadell (Barcelona), the statutory activity of which is the development and rental of real estate.
- Fluidra Services France, S.A.S. with registered offices in Perpignan (France), the principal activity of which involves rendering administration services, providing legal and financial services, managing and training personnel, and providing IT services.
- Fluidra South Africa (Pty) Ltd. (before named Astral South Africa (Pty) Ltd.), with registered offices in Brooklyn (Pretoria), dedicated to the manufacture, sale and purchase and distribution of all types of machinery, equipment, components and parts of machinery, instruments, accessories and specific products for swimming pools, irrigation, and water treatment and purification systems.
- Way Fit, S.L., with registered offices in the Barros industrial estate, Corrales de Buelna (Cantabria), the statutory activity of which comprises management, advisory services and execution of projects and works relating to sports, leisure and health centres, employing its own technical, personnel and organisational resources or subcontracting to third parties.
- Loitech (Ningbo) Heating Equipment, Co, Ltd., with registered offices in Zhenhai (China), the statutory activity of which is the production and installation of swimming pool heating pumps, and products for their assembly.
- Astral Pool (Thailand) Co., Ltd, with registered offices in Samuthprakarn (Thailand), the principal activity of which is the commercialisation of swimming pool accessories.

FLUIDRA, S.A.

Details of the statutory activity
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- Fluidra (Thailand) Co., Ltd, with registered offices in Samuthprakarn (Thailand), dedicated to the holding and use of stocks and shares.
- Fluidra Services España, S.L.U., with registered offices in Sabadell (Spain), mainly involved in rendering administration services, providing legal and financial services, managing and training personnel, and providing IT services.
- Fluidra Services Portugal, Unipessoal Lda., with registered offices in Sabadell (Spain), mainly involved in rendering administration services, providing legal and financial services, managing and training personnel, and providing IT services.
- Fluidra México, S.A. DE CV. with registered offices in Ciudad de México DF (México), the statutory activity of which is the sale, import, export, manufacture, commercialisation and distribution of parts for swimming pools, irrigation and water treatment systems.
- Fluidra Egypt, with registered offices in Cairo (Egypt), the principal activity of which is the commercialisation of swimming pool accessories.
- W.I.T. Egypt, with registered offices in Cairo (Egypt), the principal activity of which is the commercialisation of swimming pool accessories.
- SSA Fluidra Österreich GMBH (before named Schwimmbad-Sauna-Ausstattungs, GMBH), with registered offices in Salzburg (Austria), the principal activity of which is the commercialisation of swimming pool products.
- Splash Water Traders Private Limited, with registered offices in Chennai (India), the principal activity of which is the commercialisation of swimming pool accessories.
- Fluidra Adriatic, D.O.O. with registered offices in Belgrade (Serbia), the principal activity of which is the commercialisation of swimming pool accessories.
- Pø Leg & Teknik A/S with registered offices in Denmark, the principal activity of which is the commercialisation of swimming pool accessories.
- Fluidra Malaysia SDN BHD with registered offices in Johor (Malaysia), the principal activity of which is the commercialisation of swimming pool accessories.
- Astramatic Malaysia SDN BHD with registered offices in Johor (Malaysia), the principal activity of which is the commercialisation of swimming pool accessories.
- US Pool Holdings, Inc. with registered offices in Delaware (United States) dedicated to the holding and use of shares.
- Aqua Products Inc. (merged with Aquatron Inc.) with registered offices in New Jersey (United States), the principal activity of which is the manufacture and commercialisation of automatic cleaners for private and public pools.
- Aqua Products Inc. (merged with Aquatron Inc.) with registered offices in New Jersey (United States), the principal activity of which is the manufacture and commercialisation of automatic cleaners for private and public pools.
- P.S.I. Pool Services Israel, Ltd. with registered offices in Afula (Israel), the principal activity of which is the manufacture and commercialisation of automatic cleaners for private and public pools.

FLUIDRA, S.A.

Details of the statutory activity
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- Fluidra Brasil Indústria e Comércio LTDA. (before named Astral Pool Brasil Participações, LTDA.) with registered offices in Jardim Sao Luis (Brasil), dedicated to the manufacture, sale and purchase and distribution of all types of machinery, equipment, components and parts of machinery, instruments, accessories and specific products for swimming pools, irrigation, and water treatment and purification systems.
- Rotoplastics, S.L., with registered offices in Saint Antonin Noble Val (France), the statutory activity of which is the manufacture of material for swimming pools and water treatment (company wound up in 2011).

Equity accounted associates

- Astral Nigeria, Ltd, with registered offices in Surulere-Lagos (Nigeria), the principal activity of which is the commercialisation of swimming pool-related products.
- Inquevap, A.I.E, with registered offices in Monzón (Huesca), mainly engaged in energy cogeneration activities.

FLUIDRA, S.A.
AND SUBSIDIARIES

Details of the statutory activity
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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails)

Fully consolidated subsidiaries

- Fluidra Commercial, S.A.U. (merged with Fluidra Commercial Services, S.L.U. and ADBE Cartera, S.A.U.), with registered offices in Sabadell (Barcelona), dedicated to the holding and use of stocks and shares and advising, managing and administering the companies in which it has an interest.
- Fluidra España, S.A.U., with registered offices in Polinyà (Barcelona), dedicated to the manufacture, sale and purchase and distribution of all types of machinery, equipment, components and parts of machinery, instruments, accessories and specific products for swimming pools, irrigation, and water treatment and purification systems.
- SCI 11 Rue Denfert Rochereau, with registered offices in Saint Dennis (France), operates in the real estate sector.
- Astral Piscine, S.A.S., with registered offices in Perpignan (France), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Astral Pool Belgique, S.R.L. with registered offices in Carcelles (Belgium), the statutory activity of which is the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Astral UK, Ltd., with registered offices in Hants (England), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Fluidra Deutschland, GMBH (before named Astral Pool Deutschland, GMBH – merged with Cepex GmbH), with registered offices in Hirschberg (Germany), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Astral Italia, S.P.A., with registered offices in Brescia (Italy), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Fluidra Services Italia, S.R.L. with registered offices in Brescia (Italy), the statutory activity of which involves rendering services and conducting real estate activities.
- Astral Pool Switzerland, S.A., with registered offices in Bedano (Switzerland), the principal activity of which is the commercialisation of swimming pool-related materials.
- Astral Export, S.A., with registered offices in Sabadell (Spain) is dedicated to trading all type of products and goods on both domestic and foreign markets, whilst its principal activity involves the commercialisation of swimming pool-related products, basically acquired from related companies.
- Fluidra Middle East, Fze. (before named Astral Middle East, Fze.), with registered offices in Jebel Ali (Dubai), dedicated to the commercialisation of equipment for swimming pools and water treatment and related accessories.
- Fluidra Tr Su Ve Havuz Ekipmanlari AS (before named Astral Havuz Ekipmanlari, S.V.T.A.), with registered offices in Kartal (Turkey), dedicated to the import of equipment, chemical products and other accessories for swimming pools, for their subsequent distribution.

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- Fluidra Maroc, S.A.R.L. (before named Maghrebine Des Equipements d'Eau, S.A.R.L.), with registered offices in Casablanca (Morocco), the statutory activity of which is the import, export, manufacture, commercialisation, sale and distribution of parts for swimming pools, irrigation and water treatment systems.
- Astral Bazénové Příslušenství Spol, S.R.O., with registered offices in Praha-Východ (the Czech Republic), the principal activity of which is the commercialisation of swimming pool-related accessories.
- Astral Scandinavia, A/S, with registered offices in Roedekro (Denmark), importer of technical components and equipment for all types of water treatment processes.
- Zao "Astral Sng", with registered offices in Moscow (Russia), the principal activity of which is the purchase of swimming pool-related materials for their subsequent sale on the domestic market.
- Fluidra Magyarország, Kft. (before named Magyar Astral Pool, Kft.), with registered offices in Budapest (Hungary), the principal activity of which is the commercialisation and assembly of machinery and accessories for swimming pools, irrigation and water treatment and purification systems.
- Fluidra Polska SP, Z.o.o. (before named Astral Pool Polska SP, Z.o.o.), with registered offices in Wrocław (Poland), the principal activity of which is the commercialisation of swimming pool-related accessories.
- Fluidra Chile, S.A., with registered offices in Santiago de Chile (Chile), the principal activity of which is the distribution and commercialisation of products for swimming pools, irrigation and water treatment and purification systems.
- Astral Pool México, S.A. de C.V., with registered offices in Tlaquepaque (Mexico), the principal activity of which is the commercialisation of swimming pool-related materials.
- Fluidra USA, Inc. (before named Astral Products, Inc.), with registered offices in Jacksonville (USA), dedicated to the commercialisation of swimming pool-related products and accessories.
- Astral India PVT LTD, with registered offices in Mumbai (India), the principal activity of which is the commercialisation of swimming pool-related materials.
- Fluidra Portugal, LDA (before named Marazul Importação, Exportação, Comércio e Indústria Limitada), with registered offices in São Domingo da Rana (Portugal), dedicated to the manufacture, sale and purchase, distribution commercialisation, export and import of all types of swimming pool-related products.
- Pool Supplier, S.L.U., with registered offices in Polinyà (Barcelona), dedicated to the sale and purchase of swimming pool-related products and the distribution of these products among group companies.
- Fluidra Hellas, S.A. (before named Astral Pool Hellas, S.A.), with registered offices in Aspropyrgos (Greece), the principal activity of which is the distribution of swimming pool-related materials.
- Ya Shi Tu (Ningbo Water Treatment Equipment, LTD), with registered offices in Donquiao Town (China), the principal activity of which is the commercialisation of swimming pool-related products.
- Catpool SA de C.V., with registered offices in Mexico DF (Mexico), the principal activity of which is the purchase, sale and distribution of chemical products related with the maintenance of swimming pools and water systems.

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- Astral Holdings Australia PTY LTD, with registered offices in Melbourne (Australia), the principal activity of which is the purchase, sale, production and distribution of machinery, equipment, products and special equipment for the maintenance of swimming pools and water systems.
- Astral Pool Hongkong CO. LTD, with registered offices in Hong Kong (Hong Kong), the principal activity of which is the commercialisation of swimming pool accessories.
- Fluidra Singapore PTE LTD (before named Astral Pool Singapore PTE LTD), with registered offices in Singapore (Singapore), the principal activity of which is the commercialisation of swimming pool accessories.
- Fluidra Balkans JSK (before named Astral Pool Balkans JSK), with registered offices in Plovdiv (Bulgaria), the principal activity of which is the purchase, sale and distribution of machinery, equipment, materials, products and special equipment for the maintenance of swimming pools and water systems.
- Ya Shi Tu Swimming Pool Equipment (Shanghai) Co. Ltd., with registered offices in Tower E, Building 18, num. 238, Nandandong Road, Xu Hui District (Shanghai), the principal activity of which is the commercialisation of swimming pool products.
- MTH Moderne Wassertechnik AG, with registered offices in Gilching (Germany), the principal activity of which is the purchase, sale, production and distribution of machinery, equipment, products and special equipment for the maintenance of swimming pools and water systems.
- Blue Water Parts, S.A.S., with registered offices in Villeurbanne (France), mainly dedicated to selling replacement materials for swimming pools.
- Fluidra Cyprus LTD (before named Astral Pool Cyprus LTD), with registered offices in Limassol (Cyprus), the principal activity of which is the distribution of swimming pool-related products.
- Metalast, S.A.U., with registered offices in Polinyà (Barcelona), dedicated to the manufacture of metal products, piping and street furniture, and the wholesale of accessories.
- Poltank, S.A.U., with registered offices in Tortellà (Girona), the statutory activity of which involves the manufacture and commercialisation of swimming pool filters by injection-moulding, projection or lamination.
- Sacopa, S.A.U., with registered offices in Sant Jaume de Llierca (Girona), the principal activity of which is the transformation and commercialisation of plastic materials.
- Unistral Recambios, S.A.U., with registered offices in Massanet de la Selva (Girona), the statutory activity of which involves the manufacture, sale and purchase and distribution of machinery, accessories, spare parts, components and specific products for the treatment and purification of water.
- Talleres del Agua, S.L., with registered offices in Polígono Industrial de Barros, Ayuntamiento de los Corrales de Buelna (Cantabria), the statutory activity of which involves the construction, sale, installation, conditioning and maintenance of swimming pools, as well as the manufacture, sale and purchase, import and export of all types of swimming pool-related tools.
- Maber Plast, S.L., with registered offices in Sant Joan les Fonts (Girona), the principal activity of which is the transformation of plastic materials.
- Togama, S.A., with registered offices in Villareal (Castellón), the statutory activity of which is the manufacture of ceramic insulators and insulating parts for electrical installations.

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- Llerca Naus, S.A., with registered offices in Sant Jaume de Llerca (Girona), rents its industrial buildings to several group companies.
- Fluidra Industry, S.A.U. (merged with Fluidra Industry Services, S.L.), with registered offices in Polinyà (Barcelona), dedicated to the holding and use of shares and advising, managing and administering the companies in which it has an interest.
- Productes Elastomers, S.A. with registered offices in Sant Joan Les Fonts (Girona) is dedicated to the manufacture of rubber moulded parts and all kinds of natural rubber and synthetic products; the development of techniques for the maintenance of pressure cylinders; their repair and modification and in general, the preparation, manufacture and transformation of all kinds of rubber and plastic products.
- Ningbo Linya Swimming Pool & Water Treatment Co. (merged with Ningbo Xipei Valves and Fittings), with registered offices in Ningbo (China), the statutory activity of which is the design, research and development and manufacture of equipment for swimming pools and water disinfection, pumps, dehumidifiers, metallic products, plastic products and vitreous linings.
- Turcat Polyester Sanayi Ve Ticaret A.S., with registered offices in Istanbul (Turkey), the statutory activity of which is the production, import, export and commercialisation of products and accessories, purification filters and chemical products.
- Europeenne de Couvreurs Automatiques, S.A.R.L., with registered offices in Perpignan (France), the statutory activity of which is the manufacture of motorised swimming pool covers.
- Rotoplastics, S.L., with registered offices in Saint Antonin Noble Val (France), the statutory activity of which is the manufacture of material for swimming pools and water treatment.
- Aquant Trading Co. LTD, with registered offices in Shanghai (China), the statutory activity of which is the commercialisation, import and export of swimming pool equipment, accessories and other swimming pool sector-related components, together with the rendering of services related to its statutory activity.
- Ningbo Dongchuan Swimmingpool, with registered offices in Ningbo (China), the statutory activity of which is the manufacture and installation of swimming pool equipment, brushes, plastic and aluminium products, industrial thermometers, water disinfection equipment and water testing equipment. It also imports and exports technology for its own use or as an agent
- ID Electroquímica, S.L., with registered offices in Alicante (Spain), the statutory activity of which is the sale of all kinds of machinery for the development of electrochemical processes and reactors.
- Pacific Industries, S.A.S. with registered offices in Boulazac (France), the statutory activity of which is the manufacture and warehousing of material for water treatment, filtering equipment and domestic and industrial accessories.
- Swimco Corp., S.L., with registered offices in Munguia (Vizcaya) the statutory activity of which involves the holding and use of shares, securities and other interests and advising, managing and administering the companies in which it has an interest.
- Manufacturas Gre, S.A. (merged with Meip Internacional, S.L.), with registered offices in Munguia (Vizcaya), the statutory activity of which involves the manufacture and commercialisation of swimming pool-related products, materials and accessories.
- Pisciwelness Domiciliario, S.L.U. (before named Gre, Aqua and Pool, S.L.), with registered offices in Munguia, Vizcaya (Spain). The principal activity of this company is based on the statutory activity which consists of the distribution and sale of swimming pools and spas.

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- Certikin Italia, S.p.A., with registered offices in Brescia (Italy), the statutory activity of which involves the manufacture, sale and purchase, distribution, commercialisation, export and import of all types of swimming pool-related products.
- Me 2000, S.R.L., with registered offices in Brescia (Italy), the statutory activity of which is the development and lease of buildings.
- Certikin Internacional, Ltd., with registered offices in Witney Oxon (England), the principal activity of which is the commercialisation of swimming pool-related products.
- Hydrosim International, S.A.S. (formerly MMC, S.A.S.), with registered offices in La Chevroliere (France), the principal activity of which involves the manufacture and commercialisation of swimming pool filters and pumps.
- Industrias Mecánicas Lago, S.A., with registered offices in Sant Julià de Ramis (Girona), the statutory activity of which involves the manufacture and commercialisation of water pumps, swimming pools and associated accessories.
- Certikin Pool Ibérica S.L., with registered offices in Palafolls (Barcelona), the principal activity of which is the commercialisation of swimming pool-related products.
- Certikin Swimming Pool Products India Private Limited, with registered offices in Bangalore (India), the principal activity of which is the commercialisation of swimming pool-related products.
- Cepex, S.A.U. (merged with Válcules i Racords Canovelles, S.A.), with registered offices in Granollers, Barcelona (Spain), the principal activity of which is the manufacture and distribution of injected plastics and in particular, plastic parts for valves.
- Pro Cepex, S.A.R.L., with registered offices in Casablanca (Morocco), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex S.R.L., with registered offices in Bedizzole, Brescia (Italy), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex USA Inc., with registered offices in Jacksonville, Florida (USA), the principal activity of which is the commercialisation of fluid conduction products.
- Cepex Mexico, S.A. de CV., with registered offices in Mexico City (Mexico), the principal activity of which is the commercialisation of fluid conduction products.
- Agro Cepex, S.A.R.L., with registered offices in Casablanca (Morocco), the principal activity of which is the commercialisation of fluid conduction products.
- Certikin Middle East, F.Z.E. (before named Cepex Middle East, F.Z.E.), with registered offices in Dubai (United Arab Emirates), the principal activity of which is the commercialisation of fluid conduction products.
- Irrigaronne, with registered offices in Zone Industriekke 47550, 47000 Agen (France), the activity of which is the assembly and repair of hydraulic installations for irrigation, agricultural hydraulics and mechanised agriculture.
- Inquide, S.A., with registered offices in Polinyà (Barcelona), the principal activity of which is the manufacture of products and chemical specialties in general, with the exclusion of pharmaceuticals.

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- Certikin France, S.R.L. (before named SENTEX, S.A.R.L.), with registered offices in Perpignan (France), the principal activity of which is the commercialisation of chemical water disinfection products.
- Inquide Italia, S.R.L. (before named CTX Chemicals, S.R.L.), with registered offices in Bedizzole, Brescia (Italy), the principal activity of which is the commercialisation of chemical water disinfection products.
- Aquambiente, S.A., with registered offices in Estrada Nacional 249 – Parque Industrial Cabra Figa, Lote 15 Cabra Figa (Portugal), the principal activity of which is the commercialisation of chemical water disinfection products.
- Servaqua, S.A.U., with registered offices in C/Industria S/N P. Ind La Coromina, Balsareny (Spain), the principal activity of which is the commercialisation and manufacture of water treatment filters and accessories.
- Astramatic, S.A.U., with registered offices in C/ Mogoda 75, P. Industrial Can Salvatella, Barberà del Vallès (Spain), the principal activity of which is the commercialisation and manufacture of industrial water treatment equipment and items to be applied in the water sector.
- S. C.I. Cerisay, with registered offices in Avenue Maurice Bellonte, Perpignan, (France), the principal activity of which is the holding of real estate securities.
- ATH Aplicaciones Técnicas Hidráulicas, S.L., with registered offices in Cervelló, Calle Joan Torruella I Urbina, 31, Barcelona (Spain), the activity of which is the wholesale and retail sale of machinery, materials, tools and accessories for water installations and treatment systems.
- Calderería Plástica del Norte, S.L., with registered offices in Rentería (Guipúzcoa), the principal activity of which is the manufacture and commercialisation of plastic water purifying and treatment equipment.
- Trace Logistics, S.A., with registered offices in Massanet de la Selva (Girona), the statutory activities of which is the consignment of goods in its warehouses and premises for storage, control and distribution to third parties upon request of the consigner; storage, loading and unloading and other supplementary services required to manage the distribution of these goods upon instruction of the consigner, as well as transport hiring and management.
- AP Immobiliere, with registered offices in Perpignan (France), the statutory activity of which is the development and rental of real estate.
- Accent Graphic, S.L., with registered offices in Santa Perpètua de Mogoda (Spain), dedicated to rendering all types of advertising and graphic design services. Responsible for the corporate image of the Astral Group by designing price lists, catalogues, etc.
- Inmobiliaria Swim 38, S.L.U., with registered offices in Sabadell (Barcelona), the statutory activity of which is the development and rental of real estate.
- Fluidra Services France, S.A.S. (before named Fluidra France, S.A.S.) with registered offices in Perpignan (France), the principal activity of which involves rendering administration services, providing legal and financial services, managing and training personnel, and providing IT services.
- Fluidra South Africa (Pty) Ltd. (before named Astral South Africa (Pty) Ltd.), with registered offices in Brooklyn (Pretoria), dedicated to the manufacture, sale and purchase and distribution of all types of machinery, equipment, components and parts of machinery, instruments, accessories and specific products for swimming pools, irrigation, and water treatment and purification systems.

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- Way Fit, S.L., with registered offices in the Barros industrial estate, Corrales de Buelna (Cantabria), the statutory activity of which comprises management, advisory services and execution of projects and works relating to sports, leisure and health centres, employing its own technical, personnel and organisational resources or subcontracting to third parties.
- Loitech (Ningbo) Heating Equipment, Co, Ltd., with registered offices in Zhenhai (China), the statutory activity of which is the production and installation of swimming pool heating pumps, and products for their assembly.
- Astral Pool (Thailand) Co., Ltd, with registered offices in Samuthprakarn (Thailand), the principal activity of which is the commercialisation of swimming pool accessories.
- Fluidra (Thailand) Co., Ltd, with registered offices in Samuthprakarn (Thailand), dedicated to the holding and use of stocks and shares.
- Fluidra Services España, S.L.U., with registered offices in Sabadell (Spain), mainly involved in rendering administration services, providing legal and financial services, managing and training personnel, and providing IT services.
- Fluidra Services Portugal, Unipessoal Lda., with registered offices in Sabadell (Spain), mainly involved in rendering administration services, providing legal and financial services, managing and training personnel, and providing IT services.
- Fluidra México, S.A. DE CV, with registered offices in Ciudad de México DF (México), the statutory activity of which is the sale, import, export, manufacture, commercialisation and distribution of parts for swimming pools, irrigation and water treatment systems.
- Fluidra Egypt, with registered offices in Cairo (Egypt), the principal activity of which is the commercialisation of swimming pool accessories.
- W.I.T. Egypt, with registered offices in Cairo (Egypt), the principal activity of which is the commercialisation of swimming pool accessories.
- SSA Fluidra Österreich GMBH (before named Schwimmbad-Sauna-Ausstattungs, GMBH), with registered offices in Salzburg (Austria), the principal activity of which is the commercialisation of swimming pool products. This company is jointly managed with Mr. Helmut Brabenetz and Mr Walter Brabenetz.
- Splash Water Traders Private Limited, with registered offices in Chennai (India), the principal activity of which is the commercialisation of swimming pool accessories.

Equity accounted associates

- Astral Nigeria, Ltd, with registered offices in Surulere-Lagos (Nigeria), the principal activity of which is the commercialisation of swimming pool-related products.
- Inquevap, A.I.E, with registered offices in Monzón (Huesca), mainly engaged in energy cogeneration activities.

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Details of investments and positions held by the directors in other companies
31 December 2011

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Name	Company	Position held	Ownership %	Number of shares
Eloy Planes Corts	Astral Nigeria, Ltd.	Director	---	---
	Astral Italia, S.P.A.	Sole director	---	---
	Astral Bazenove Prislusentsvi, S.R.O.	Joint and several director	---	---
	Astral India Private, Limited	Director	---	---
	Fluidra Singapore, Pte Ltd.	Director	---	---
	Certikin International, Limited	Director	---	---
	AP Immobiliere	Sole director	---	---
	Turcat Polyester Sanayi Ve Ticaret Anonim Sirketi	Director	---	---
	Cepex USA, Inc.	Director	---	---
	Zao Astral, SNG	Director	---	---
	Fluidra Polska, S.A.	Director	---	---
	Astral Pool México, S.A. de C.V.	Director	---	---
	Astral Scandinavia AS/	Director	---	---
	Fluidra Magyarország Kft.	Joint and several director	---	---
	Fluidra USA, Inc.	Director	---	---
	Fluidra Chile, Sociedad Anónima Cerrada	Director	---	---
	Fluidra Deutschland GmbH	Joint and several director	---	---
	Fluidra Hellas	Director	---	---
	Fluidra Balkans JSC	Director	---	---
	Moderne Wassertechnik AG (MTH)	Director	---	---
	Catpool, S.A. de C.V.	Director	---	---
	Astral pool UK, Limited	Director	---	---
	Fluidra Tr Sv Ve Havuz Equipmanlari AS	Director	---	---
	Fluidra Industry, S.A.U.	Representative of the sole director Fluidra, S.A.	---	---
	Fluidra Commercial, S.A.U.	Representative of the sole director Fluidra, S.A.	---	---
	Inmobiliaria Swim 38, S.L.U.	Representative of the sole director Fluidra, S.A.	---	---
	Swimco Corp, S.L.U.	Representative of the sole director Fluidra, S.A.	---	---
	Fluidra Cyprus, Ltd	Director	---	---
	Inquide Italia, SRL	Director	---	---
	Cepex, S.R.L.	Director	---	---
	Certikin Italia, Spa	Director	---	---
	Astral Pool Thailand, Co., Ltd	Joint and several director	---	---
	Fluidra Thailand, Co., Ltd	Joint and several director	---	---
	Fluidra South Africa, Pty, Ltd	Joint and several director	---	---
	Astral Pool Switzerland, S.A.	Proxy	---	---
	DISPUR, S.L. ⁽¹⁾	Board member	10.00%	12,194.00

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Name	Company	Position held	Ownership %	Number of shares
Eloy Planes Corts	Fluidra Adriatic, D.O.O.	Director / Chairman	---	---
	Fluidra Malaysia SDN, BHD..	Director	---	---
	U.S. Pool Holdings, Inc.	Director / Chairman	---	---
	Aquatron, Inc.	Director / Chairman	---	---
	Aquaproducts, Inc.	Director / Chairman	---	---
	P.S.I. Pool Services Israel, Ltd-	Director / Chairman	---	---
	Fluidra, S.A.	Sole director	0.0592%	66,621
	Astral Pool Australia Pty Ltd.	Director	---	---
	Po Leg & Teknik A/S.	Director	---	---
	Aquaambiente, S.A.	Director	---	---