

29th August, 2014

**MAKING**  
**WATER**  
**PERFORM**



# Disclaimer

This document is for informational purposes only and does not constitute an offer to sell, exchange or buy, or an invitation to make offers to buy, securities issued by any of the companies mentioned. This financial information has been prepared in accordance with International Financial Reporting Standards (IFRS). However, as it has not been audited, the information is not definitive and may be modified in the future.

The assumptions, information and forecasts contained herein, do not guarantee future results and are exposed to risks and uncertainties; real results may differ significantly from those used in the assumptions and forecasts for various reasons.

The information contained in this document may contain statements regarding intentions, expectations or projections. All statements, other than those based on historical facts are forward-looking statements, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations. Such forward-looking statements are affected, as such, by risks and uncertainties which could mean that what actually happens does not correspond with them.

These risks include, among others, seasonal fluctuations that may change demand, industry competition, economic and legal conditions and restrictions on free trade and / or political instability in the markets where the Fluidra Group is present or in those countries where the Group's products are manufactured or distributed. The Fluidra Group makes no commitment to issue updates or revisions concerning the forward-looking statements included in this financial information, expectations or events, conditions or circumstances on which these forward-looking statements are based.

In any case, Fluidra Group provides information on these and other factors which may affect the Company's forward-looking statements, business and financial results, in documents filed with the Spanish National Securities Market Commission. We invite all interested persons or entities to consult those documents.

# 1H2014 Results - Summary

	Key magnitudes			
	€M	June 13 YTD	June 14 YTD	Evol.
Sales		344,9	335,6	-2,7%
EBITDA		44,4	49,9	12,4%
Net Income		10,5	16,2	54,4%
Net Working Capital		261,0	245,5	-5,9%
Free Cash Flow post acquisitions		-53,5	-39,5	14,0
Net Financial Debt		238,8	217,3	-9,0%

- Sales: performance in the year marked by the impact of exchange rates and turnkey projects. Adjusted for these effects, growth in the period was up 1%.
- Good performance in EBITDA and Net Profit reflecting the above mentioned points, plus the effort made in restructuring and divestitures.
- Excellent performance of Working Capital and Free Cash Flow; reducing Net Debt significantly.

# 1H2014 Results – Highlights

## Brazil

- Fluidra has supplied the connections of irrigation systems that were used on 6 fields of the World Cup Brazil 2014.



## Dubai

- Fluidra has participated in the design of the project for Anantara resort of Dubai-The Palm Resort & Spa, the largest wellness center in the Persian Gulf.



## France

- Fluidra sold *Irrigaronne*, its irrigation subsidiary, mainly in agricultural irrigation, for €7.1M.
- This divestiture reduces debt by around €9.2M.

## Spain

- Fluidra has opened two new branches: Blanes and Puerto de Santa María (Cádiz).
- Both branches have a display area of 350 m2 and a warehouse of 150 m2.



# 1H2014 Results – Consolidated Profit & Loss Account

	June 2013 YTD		June 2014 YTD		Evol.14/13
	€ M	% sales	€ M	% sales	
Sales	344,9	100,0%	335,6	100,0%	-2,7%
Gross Margin	171,6	49,7%	172,8	51,5%	0,7%
Opex before Dep.& Amort.	123,9	35,9%	117,6	35,0%	-5,1%
Provisions for bad debt	3,3	1,0%	5,4	1,6%	63,0%
EBITDA	44,4	12,9%	49,9	14,9%	12,4%
EBIT	26,8	7,8%	32,1	9,6%	19,6%
Net Financial Result	-9,3	-2,7%	-8,1	-2,4%	12,6%
PBT	15,7	4,6%	23,0	6,8%	46,1%
Net Income	10,5	3,0%	16,2	4,8%	54,4%

- Sales rose 1%, adjusted for FX evolution and turnkey projects.
- Good **gross margin** management, which improves over previous year, explaining the effort in purchasing and pricing executed in the last year.
- **Bad debt provisions** affected by lower collections timing in Middle East and North Africa.
- **Financial result** shows a positive performance, in line with our forecasts.

# 1H2014 Results – Sales by Geographical Area

Fluidra Sales by Geographical Area					
€M	2013 YTD	%	2014 YTD	%	Evolution 14/13
Spain	73,2	21,2%	75,7	22,6%	3,4%
South Europe - Rest	114,9	33,3%	102,1	30,4%	-11,1%
Central & Northern Europe	46,8	13,6%	53,5	15,9%	14,2%
Eastern Europe	17,0	4,9%	17,7	5,3%	4,2%
Asia & Australia	52,6	15,3%	50,8	15,1%	-3,4%
Rest of the World	40,4	11,7%	35,9	10,7%	-11,3%
<b>TOTAL</b>	<b>344,9</b>	<b>100,0%</b>	<b>335,6</b>	<b>100,0%</b>	<b>-2,7%</b>

- Positive evolution of the **Spanish market** versus the decline in **Southern Europe**, mainly caused by the downward trend in France.
- Good international performance due to foreign **currency** evolution: adjusted for FX, Asia and Australia grew by 6.2%, Eastern Europe by 11% and Rest of World fell by -6.6%.

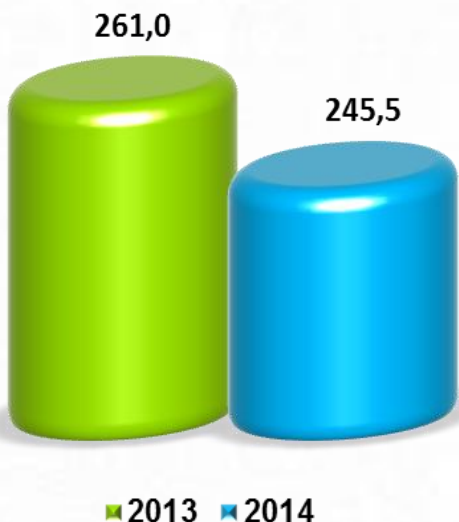
# 1H2014 Results – Sales by Business Unit

Sales by business units					
€ M	2013 YTD	% of Total	2014 YTD	% of Total	Evolution %
<b>Pool</b>	232,1	67,3%	229,8	68,5%	-1,0%
- Private	193,9	56,2%	193,8	57,8%	0,0%
- Commercial	38,2	11,1%	36,0	10,7%	-5,8%
<b>Water Treatment</b>	52,5	15,2%	52,0	15,5%	-1,0%
<b>Irrigation</b>	19,6	5,7%	19,8	5,9%	1,0%
<b>Fluid Handling</b>	33,4	9,7%	33,1	9,9%	-0,7%
<b>Projects</b>	7,4	2,1%	0,9	0,3%	-87,9%
<b>TOTAL</b>	<b>344,9</b>	<b>100,0%</b>	<b>335,6</b>	<b>100,0%</b>	<b>-2,7%</b>

- Good second quarter in **Pool Unit** recuperating sales to mass market platforms displaced from the first quarter.
- **Irrigation Unit** performed well thanks to business in the landscaping and residential markets.
- **Water Treatment and Fluid Handling**, increase their contribution to the Fluidra Group, although affected by exchange rates. Water treatment was affected by a decline in industrial activity which was offset by an increase in residential market.

# 1H2014 Results – Net Working Capital

Net Working Capital (€M)



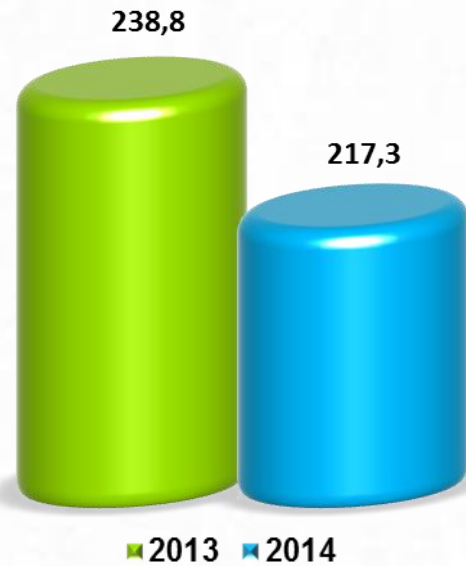
	June YTD		
	2013	2014	Evol. 14/13
Inventory	156,5	149,0	-4,8%
Accounts Receivable	242,4	221,0	-8,8%
Accounts Payable	137,9	124,5	-9,7%
<b>Net Working Capital</b>	<b>261,0</b>	<b>245,5</b>	<b>-5,9%</b>

- Good performance of **Net Working Capital**. Divestiture of *Irrigaronne* and work done during the past months on managing the balance sheet, enables us to improve inventory levels and customers collections, which helped improve the NWC / Sales ratio.



# 1H2014 Results – Net Financial Debt & FCF

Net Financial Debt (€M)



	June YTD		
	2013	2014	Evol. 14/13
Net income	10,5	16,2	5,7
Depreciation (+)	17,5	17,8	0,3
Increase (-) / Decrease (+) NWC	-60,2	-63,9	-3,7
Capex (organic)	-11,5	-8,6	2,9
Free Cash Flow pre-acquisitions	<b>-43,6</b>	<b>-38,5</b>	<b>5,2</b>
Acquisitions	-9,9	-1,0	8,9
Free Cash Flow post acquisitions	<b>-53,5</b>	<b>-39,5</b>	<b>14,0</b>

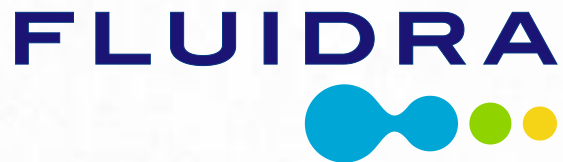
- Good performance of **FCF** thanks to net income results in the period, as well as reduced spending on acquisitions.
- Positive performance of **Net Financial Debt** thanks to improved Cash Flow and divestitures.

# 1H2014 Results – Highlights

- **AGM:** all points on the agenda were approved, including the 2013 net income distribution. It was decided not to distribute dividends.
- **Brazil:** Fluidra supplied the connections of irrigation systems that have been used on 6 fields of the World Cup Brazil 2014.
- **Dubai:** Fluidra was involved in the design of the project for Anantara Dubai The Palm Resort & Spa, the largest wellness complex in the Persian Gulf.
- **Sale of *Irrigaronne*:** Fluidra sold its French subsidiary, dealing mainly with agricultural irrigation, for €7.1M. This divestiture will help reduce the Group's debt by €9.2M.
- **New branches in Spain:** Fluidra has opened two new branch offices in Blanes (Girona) and Puerto de Santa María (Cádiz).
- **Algeria:** Fluidra has been awarded the design and supply of components for the pool and wellness area in Ben Lahbib, central Oran.

# 1H2014 Results – Conclusions

- **First half of the year in line with our expectations:**
  - Execution of the **Divestiture Plan** of non-core assets.
  - Implementation of **Restructuring Plan** announced in November 2013.
- For the rest of the year will continue to work on **operating deleveraging** and developing the investments made in recent years to increase our **international activity** (China and Brazil).
- We maintain our **guidance for 2014**: sales between € 580 and 600M; Ebitda between € 65-69M; and NFD / EBITDA ratio at 2.5x.



Contact: Avda. Francesc Macià, 60, planta 20  
08208 Sabadell (Barcelona)  
Tel: +34 937 243 900

e-mail: [investor\\_relations@fluidra.com](mailto:investor_relations@fluidra.com)