

September 2013

MAKING
WATER
PERFORM



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1. Fluidra at a glance

Fluidra at a Glance

Strong Financial Performance

- Sales: €628.8m (+0.8%)
- EBITDA: €72.2m (+2.9%)
- Net Debt: €180.6m (+2.3%)

Business

- International leader in distribution of solutions for Pool, Water Treatment, Irrigation and Fluid Handling
- Vertically integrated for Pool, Water Treatment and Fluid Handling

International Footprint

- Products sold in 170 countries
- Direct presence in 41 countries through 125 branches
- 80% of revenues generated outside of Spain and 32% outside Europe

Customers & Products

- Over 39,000 clients worldwide
- Over 20,000 product references

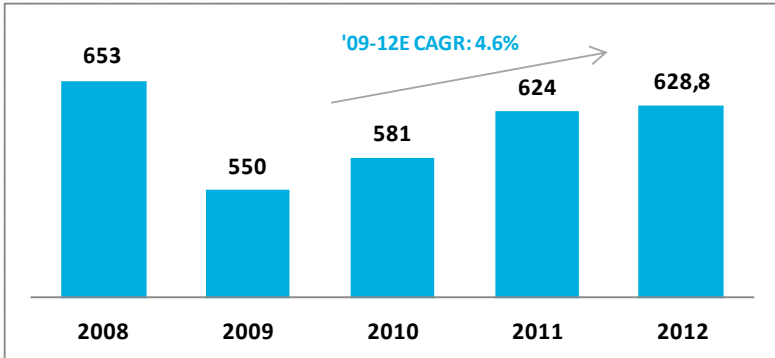
Stock Information

- Listed in the Spanish Stock Exchange
- BOD: 4 founding families 49.9%, Banc Sabadell 9.7%, Criteria CaixaBank 8.0%
- Free float: 32.4%

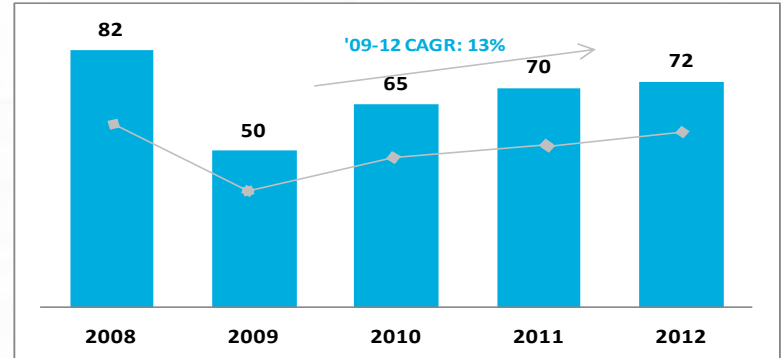
Summary Financials

- Improving efficiency
 - Centralization of distribution and commercial platforms, as well as manufacturing facilities
 - Consolidation of manufacturing plants
- Improvement in top line performance and significant EBITDA uplift

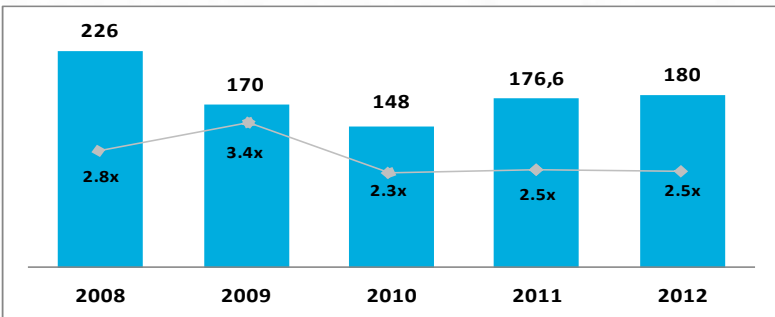
Sales (€m)



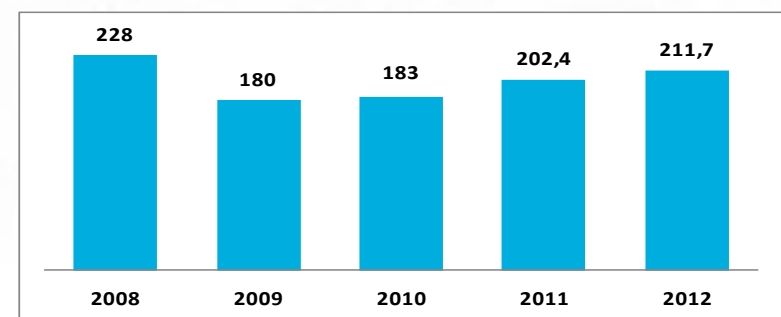
EBITDA (€m) & EBITDA Margin



Net Debt (€m) & Net Debt/EBITDA



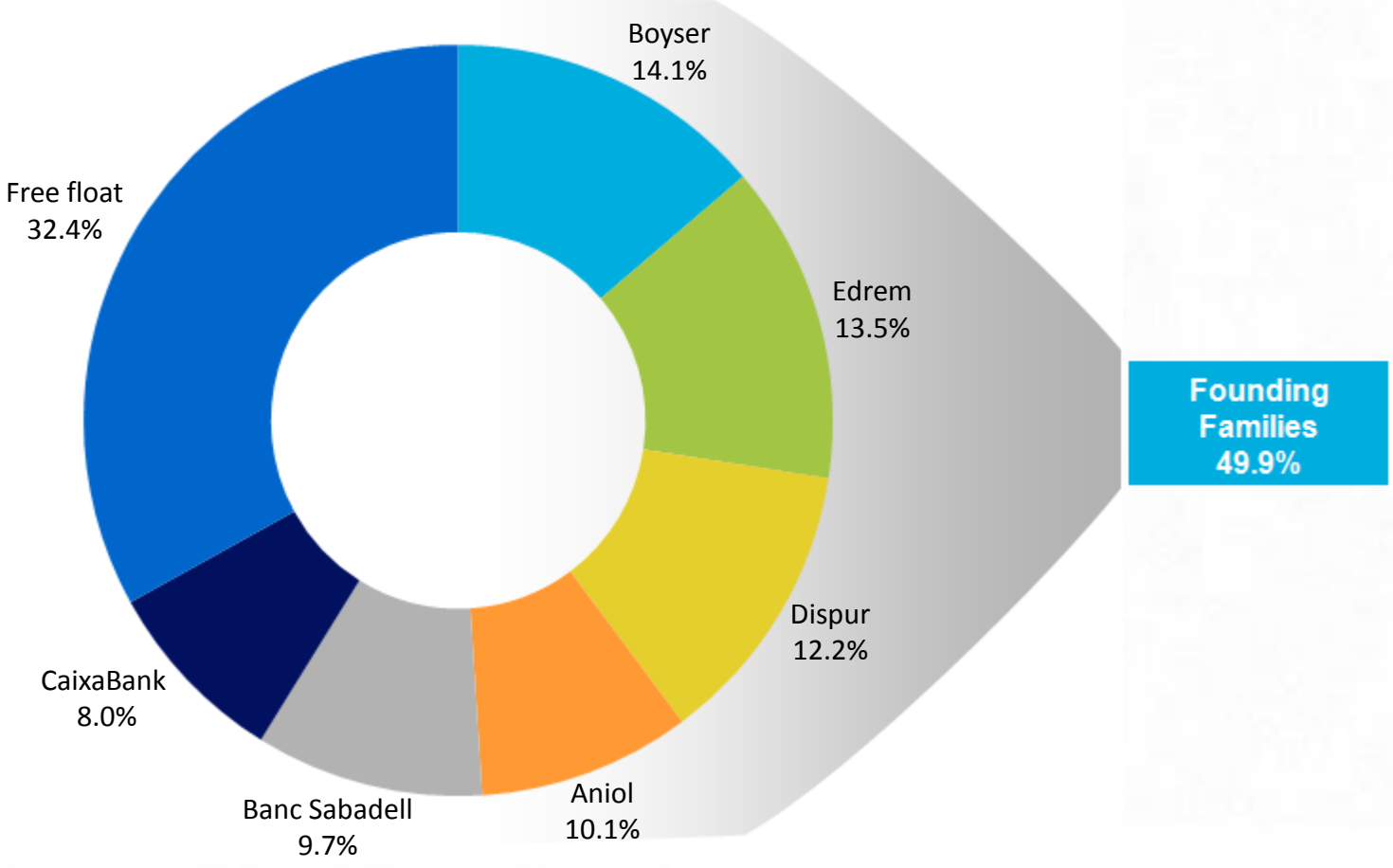
Working Capital (€m)



2. Shareholder Structure

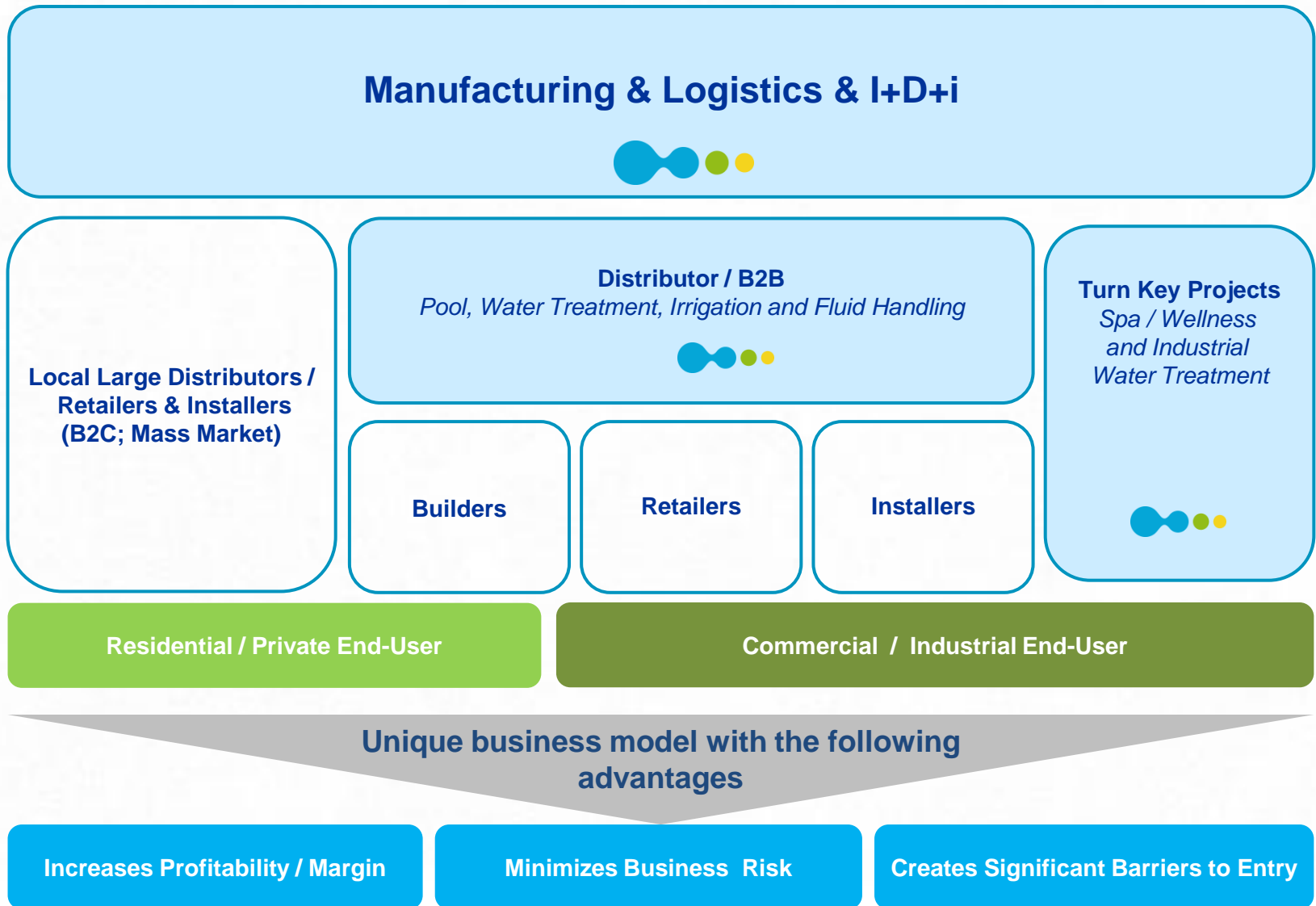
Shareholder Structure

● The renewal of the shareholders' agreement by the founding families and Banc Sabadell reflects their confidence in Fluidra's growth strategy and in its future projects.



3. Business Model

Fluidra in the Business Value Chain: an integrated model



Overview of Divisions and Business Units

FY 2012 Revenues €628.8M

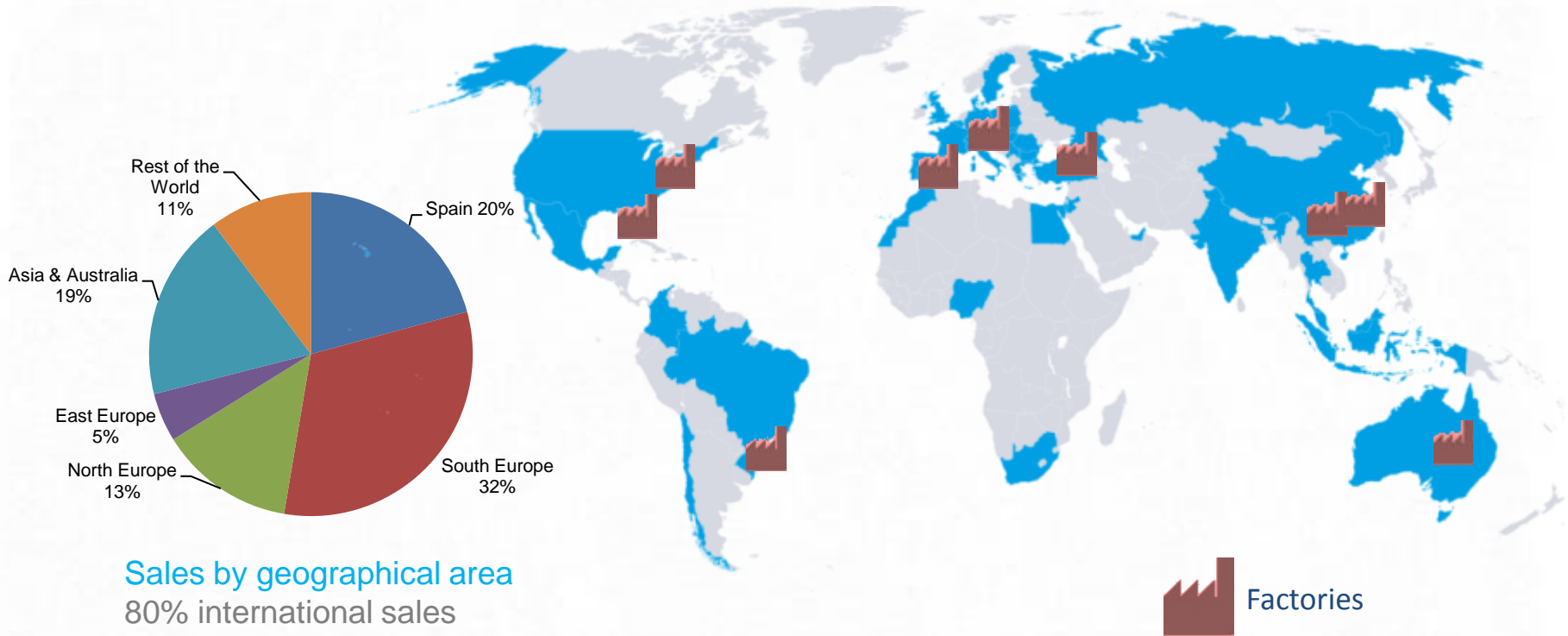
Divisions

EUROPE	EXPANSION	ASIA	SOUTH AMERICA	PROJECTS	INDUSTRY
€364M (58%)	€153M (24%)	€36M (6%)	€4M (1%)	€17M (3%)	€54M (8%)

Business Units

Pool – Wellness	€427M (68%)		<ul style="list-style-type: none"> • Design, production and distribution of all components for residential or commercial pools and wellness centers
Water Treatment	€105M (17%)		<ul style="list-style-type: none"> • Solutions for water treatment in domestic and industrial applications
Irrigation	€35M (6%)		<ul style="list-style-type: none"> • Complete and efficient irrigation systems, for agricultural and landscaping applications
Fluid Handling	€62M (10%)		<ul style="list-style-type: none"> • Design, manufacturing and distribution of parts to carry water or other liquids in industrial, irrigation and pool applications

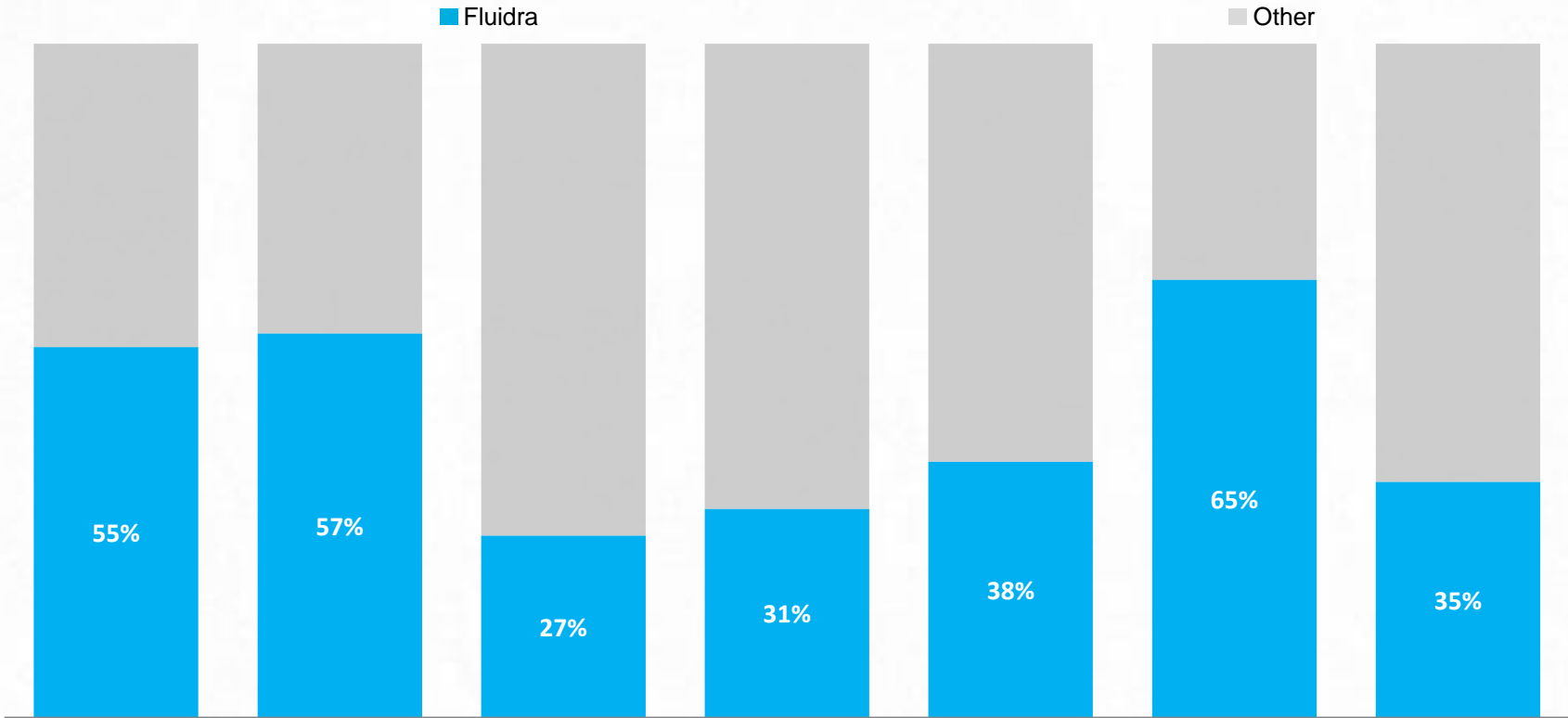
Distribution Network



125 branches in 41 countries: Alemania, Australia, Austria, Bélgica, Brasil, Bulgaria, Colombia, Chile, China, Chipre, Dinamarca, Egipto, Emiratos Árabes Unidos, España, EE.UU., Francia, Grecia, Hungría, India, Indonesia, Israel, Italia, Jordania, Malasia, Marruecos, México, Montenegro, Nigeria, Polonia, Portugal, Reino Unido, República Checa, Rumanía, Rusia, Serbia, Singapur, Sudáfrica, Suecia, Suiza, Tailandia y Turquía.

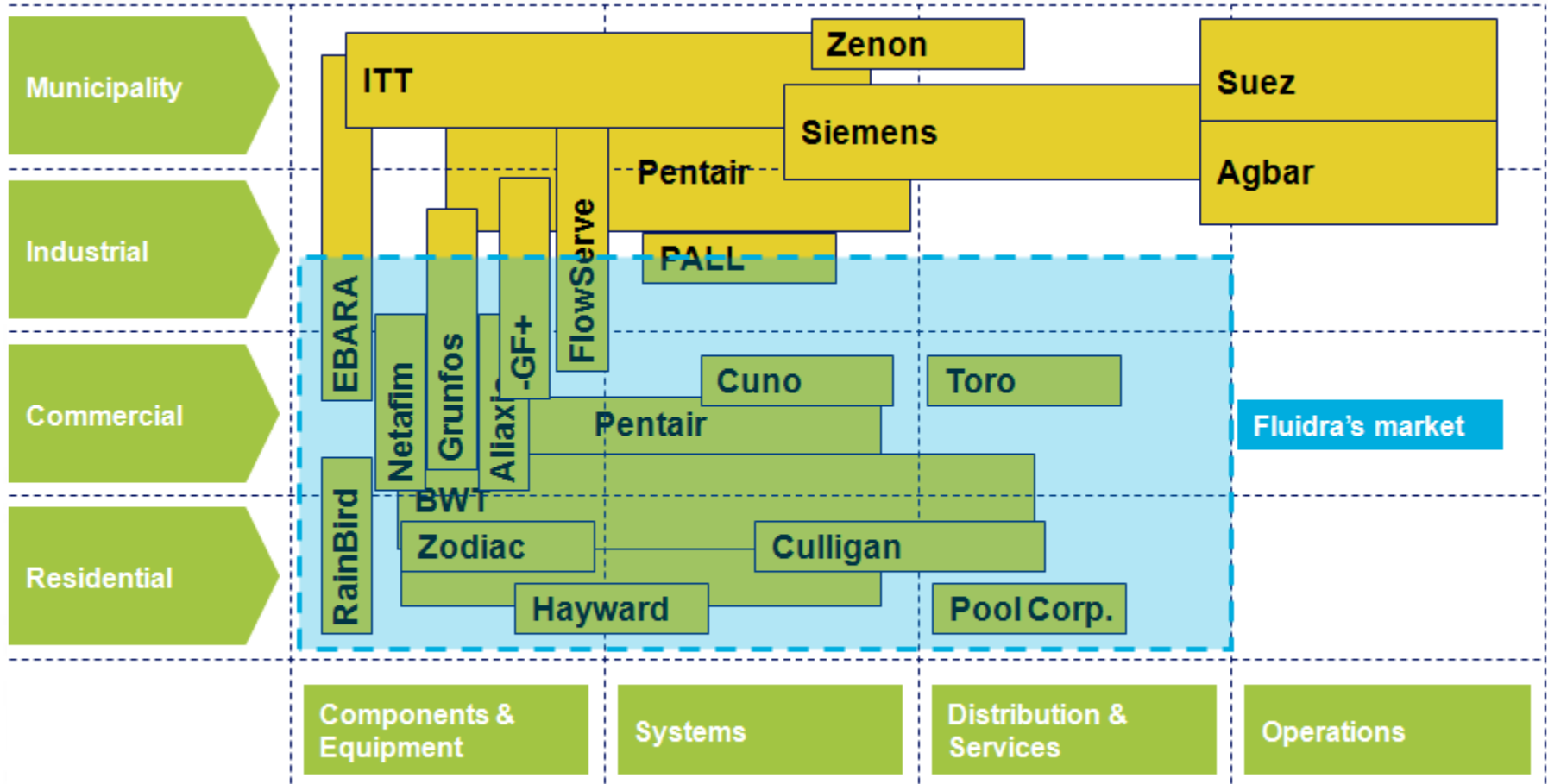
Internationally recognized leadership on Pools

Country Market Share (%) on Pool activity



 <p>Market Position</p>	Spain	Portugal	France	UK	Italy	Middle East	Australia
							
	#1	#1	#1	#1	#1	#1	#1

Fluidra's Positioning in the Water Business



Fluidra is present in growing, fragmented markets, through an integrated business model

4. Financial Performance

1H2013 Results - Summary

	Key magnitudes			
	€M	June 12 YTD	June 13 YTD	Evol.
Sales		369,7	344,9	-6,7%
EBITDA		59,3	44,4	-25,2%
Net Income		23,4	10,5	-55,2%
Net Working Capital		256,2	261,0	1,8%
Free Cash Flow post acquisitions		-36,0	-53,5	-17,5
Net Financial Debt		212,8	238,8	12,2%

- Sales: adverse weather conditions and drop in consumer spending throughout Europe, which could not be offset by international growth. Turnaround in July with the improving weather.
- EBITDA and Net Income: the decline in sales and lower margin Projects in Southern Europe caused the variation in results.
- Net Working Capital: reflects the investment made to expand in Brazil and China.
- Free Cash Flow and Net Financial Debt: the FCF was affected by the investments made in Fluidra Youli and Veico, and the lower cash generation from the profit and loss account , therefore impacting NFD.

1H2013 Results – Consolidated Profit and Loss Account

	June 2012 YTD		June 2013 YTD		Evol.13/12
	€ M	% sales	€ M	% sales	
Sales	369,7	100,0%	344,9	100,0%	-6,7%
Gross Margin	186,7	50,5%	171,6	49,7%	-8,1%
Opex before Dep.& Amort.	124,2	33,6%	123,9	35,9%	-0,2%
Provisions for bad debt	3,3	0,9%	3,3	1,0%	-0,3%
EBITDA	59,3	16,0%	44,4	12,9%	-25,2%
EBIT	43,0	11,6%	26,8	7,8%	-37,7%
Net Financial Result	-6,5	-1,8%	-9,3	-2,7%	41,8%
PBT	35,0	9,5%	15,7	4,6%	-55,0%
Net Income	23,4	6,3%	10,5	3,0%	-55,2%

- Cold weather and rain throughout Europe in the first half of the year drove a drop in business that could not be made up by the growth in other areas of the world. This fact had an impact on **Fluidra Group's** figures in this period. The recovery of business in July will mitigate this impact on the year.
- The **EBITDA** was affected by the lower sales volume and lower margins on turnkey projects in southern Europe. In addition, **Net Income** reflected the impact of the greater depreciation associated with the acquisitions of Fluidra Youli and Veico, as well as greater financial expenses.

1H2013 2012 Results - Sales by Geographical Area

	Fluidra Sales by Geographical Area				
	2012 YTD	%	2013 YTD	%	Evolution 13/12
Spain	81,8	22,1%	73,2	21,2%	-10,4%
South Europe - Rest	132,8	35,9%	114,9	33,3%	-13,5%
Central & Northern Europe	52,0	14,1%	46,8	13,6%	-10,0%
Eastern Europe	16,2	4,4%	17,0	4,9%	5,1%
Asia & Australia	45,2	12,2%	52,6	15,3%	16,4%
Rest of the World	41,8	11,3%	40,4	11,7%	-3,3%
TOTAL	369,7	100,0%	344,9	100,0%	-6,7%

- Major decreases across **Europe**, except the East, as a result of the particularly adverse weather.
- Good performance in **Asia & Australia and Eastern Europe**, despite the negative impact of exchange rates.
- **Rest of the World** fell by 3.3% affected by currency impact, one time order delivered in 1H2012 and weather in USA

1H2013 Results – Sales by Business Unit

	Sales by business units				
	2012 YTD	% of Total	2013 YTD	% of Total	Evolution %
Pool	249,8	67,6%	232,1	67,3%	-7,1%
- Private	208,2	56,3%	193,9	56,2%	-6,9%
- Commercial	41,7	11,3%	38,2	11,1%	-8,2%
Water Treatment	57,2	15,5%	52,5	15,2%	-8,2%
Irrigation	20,9	5,6%	19,6	5,7%	-6,3%
Fluid Handling	33,3	9,0%	33,4	9,7%	0,0%
Projects	8,5	2,3%	7,4	2,1%	-13,3%
TOTAL	369,7	100,0%	344,9	100,0%	-6,7%

- **Pool** was affected by weather conditions across Europe, which continues to be Fluidra's main market as it accounts for 68% of total sales figures.
- **Water Treatment** and **Irrigation** were affected, in the same way as Pool, by weather and drop in consumer spending in Europe.
- **Fluid Handling**, thanks to Fluidra Youli acquisition, maintained its production levels, despite in 1H12 there was a one time order in Rest of the world.
- **Projects** were affected by slowdown in the business unit.

1H2013 Results – Net Working Capital

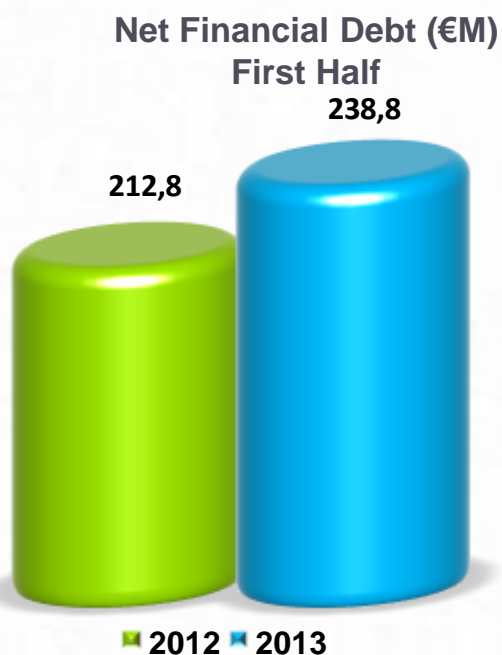
Net Working Capital (€M)
First Half



	June YTD		
	2012	2013	Evol. 13/12
Inventory	159,6	156,5	-2,0%
Accounts Receivable	244,7	242,4	-1,0%
Accounts Payable	148,1	137,9	-6,9%
Net Working Capital	256,2	261,0	1,8%

- The evolution of **Net Working Capital** is in line with forecasts for the season. The bad weather had an impact on stock levels, which went on to attain their usual levels in July.
- The **Net Working Capital** includes €5.4 M from the acquisitions of Fluidra Youli and Veico.

1H2013 Results – Net Financial Debt and Free Cash Flow



	June YTD		
	2012	2013	Evol. 13/12
Net income	23,4	10,5	-12,9
Depreciation (+)	16,3	17,5	1,3
Increase (-) / Decrease (+) NWC	-64,7	-60,2	4,6
Capex (organic)	-9,6	-11,5	-1,9
Free Cash Flow pre-acquisitions	-34,7	-43,6	-8,9
Acquisitions	-1,3	-9,9	-8,6
Free Cash Flow post acquisitions	-36,0	-53,5	-17,5

- Lower **Free Cash Flow** is driven by lower cash generation from the profit and loss account for this period, and in addition to the investments made in Net Working Capital to acquire Fluidra Youli and Veico.
- The **acquisitions** include the payments made in investing in Veico (Brazil) and Fluidra Youli (China).

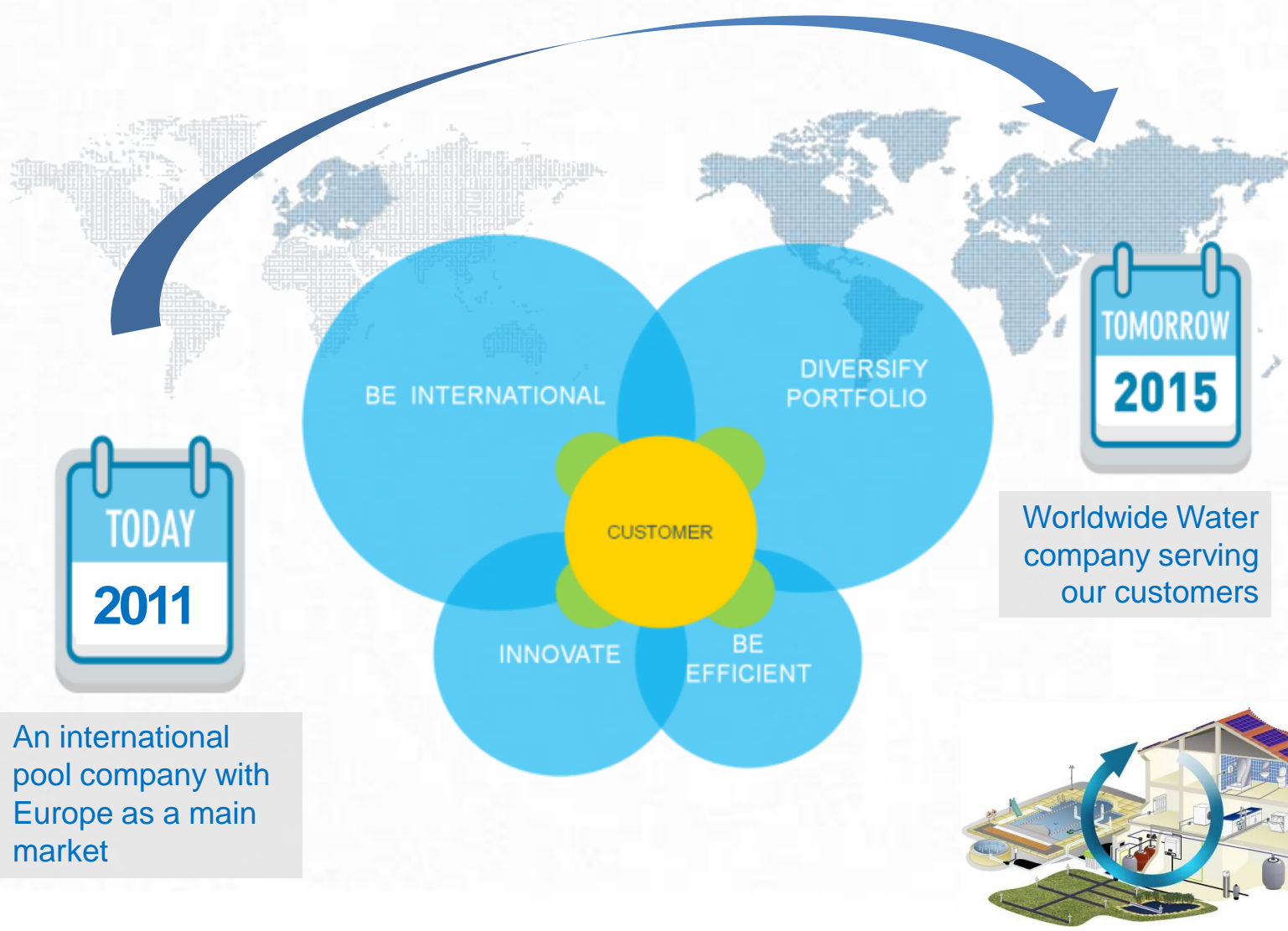
1H2013 Results – Highlights

FY2012	Guidance 2013	Review Guidance 2013E
Revenues: €628.8m (+0.8%) €72.2m EBITDA (+2.9%) €180.6m Net Debt (+2.3%)	Revenues: +2.5% €74 - 76m EBITDA Net Debt/ EBITDA < 2.5x	Revenues: -4/5% €54 - 56m EBITDA Net Debt/ EBITDA ~ 3x

- The new **2013 Guidance** is based on a sales decline 4-5%; EBITDA between €54 - 56M, that without the Project impact would have been €61-63M; and a ratio NFD / EBITDA around 3x
- **Projects:** accounting irregularities were found associated with revenues recognition based on progress made by certain projects in previous years. The adjustments made have no material impact on the consolidated balance sheet and they affect to Equity (€-7.2M) , current Assets (€-9.5M), non-current Assets (€+3,7M) and current Liabilities (€+1,4M). We have deeply analyzed all ongoing projects and it is estimated that the full year impact on Ebitda will be €7.5M.

5. Strategy and Investments Highlights

Strategy



Strategy guidelines



Pool

1 International leadership

- Focus on emerging markets, both organic and through acquisitions

2 Turn Key Projects

- Build global capabilities

3 Product Innovation

- Expand product range for the park driven by sustainability criteria



Other Business Units

4 Leverage pool distribution network

- Increase penetration of irrigation, domestic WT and fluid handling
- Develop channels based on current structure

5 Become a player in Industrial Fluid Handling in Asia

- Acquisition strategy focused on China, building on solid position in Europe

6 Develop Industrial Water Treatment business model

- Specialization in middle size plants
- Organic and inorganic growth



Operations

7 Improve margins and cash flow generation

- Implementation of Lean Program

8 Operational Excellence

- Implementation of IT strategy
- Develop global organization

International Leadership

2012:
5 New
Branches

- **Indonesia:** Fluidra has opened a **new branch in Jakarta** through the acquisitions of Dunian Renang, local trade mark and the second company in this market with a total market share of 20% and € 3M of annual revenues.
- **Jordan:** Fluidra has opened a **new branch in Amman**. With this branch, the Group expands in Middle East, where it is already present in countries as Egypt, United Arab Emirates, Israel and Turkey, where the efficiency managing water resources is crucial. **Fluidra Jordan** will operate the four business units: water treatment, fluid handling, irrigation and pool / Spa Wellness.
- **Romania and Montenegro:** Fluidra has opened two new branches more in the area of Poland, Czech Republic, Serbia and Bulgaria, strategic area to Fluidra, that represents the 4,7% of the total Group sales. With this new branches, Fluidra is present in 41 countries and distributes products in more than 170 countries.
- **Colombia:** Fluidra has opened a branch office in Colombia, where growth is expected initially in the Swimming Pools segment, thanks to the growing middle class, and thereafter in the Fluids Handling business given its industrial development. Moreover, the country's climate and longstanding popularity as a tourist destination underpins our growth potential in this region.



International Leadership

Veico - Brasil

- Fluidra acquired **VEICO (February 2013)**, company that makes accessories for pools in the Brazilian state of Santa Caterina.
- Veico has a **turnover of more than Euro 3M** and industrial facilities of 1,500 square meters.
- **Veico** gives us manufacturing capabilities in a country where the construction of new pools has increased over 10% in recent years, with a park estimated of **1.4 million units**
- The estimated market size is about **Euro 200M**.
- The total **investment** represents a multiple of **4.0x EBITDA 2012**.



Product Innovation

Viron

- **Launch of high range products "Viron"** for U.S. and Australian residential markets, consisting of pumps, cartridge filters, control system with touchpad's, air conditioning, etc.. And characterized by a commitment to sustainability, energy efficiency and cutting edge technology, according to the commitment and strategic approach of Fluidra.
- **Maximum energy efficiency recognition.** The Australian authorities have qualified Viron P600 Pump as a pump eVo more energy efficient, according to the criteria of the **MEPS** (Minimum Energy Performance Standards) ([http://www.energyrating.gov.au/products-themes/other/swimming-pool-pumps / Voluntary-labeling](http://www.energyrating.gov.au/products-themes/other/swimming-pool-pumps/Voluntary-labeling)).



Product Innovation

AstralPool MAC

- AstralPool MAC is the only compact, modular device in the market that has all the components needed for the physical and chemical control of pool water in the most efficient way possible.
- Its smart software enables all settings to be adjusted from a touchscreen and users thus have **total control over their pools**.
- AstralPool MAC is **an innovative product and a new concept** in understanding the way pools are managed.
- AstralPool MAC can make savings of up to **50% on energy (electricity and water)** in comparison with conventional pools systems.
- As a result, AstralPool MAC received an honourable mention at the prestigious **Red Dot Design Awards**.
- Success at its presentation in international fairs: **Lyon and Peking**

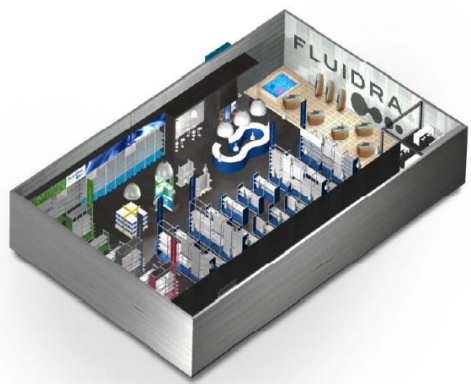


reddot design award
honourable mention 2013

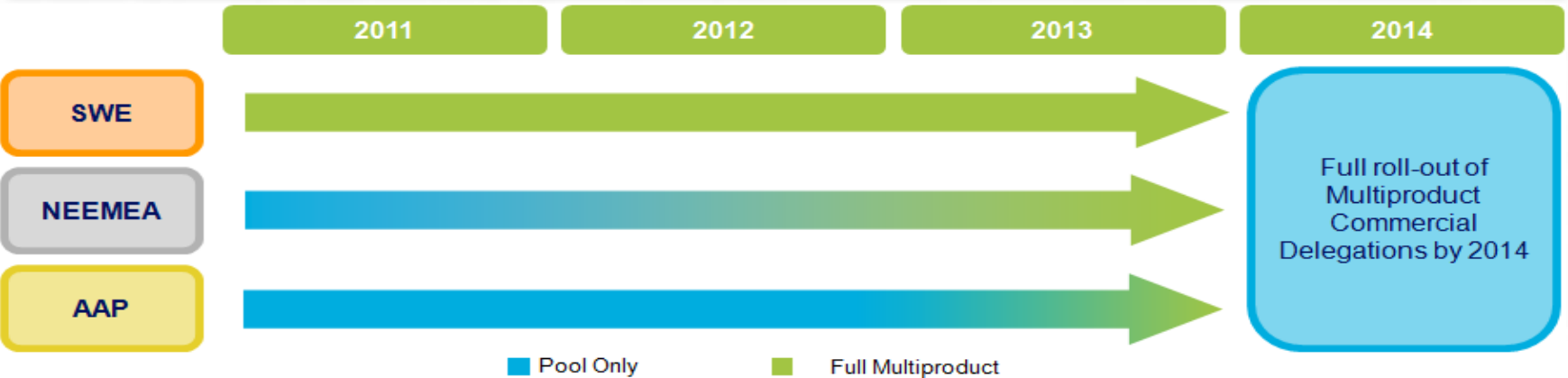
Leverage Pool Distribution Network

∞ Distribution: New branch format

- Old Model: branch with relatively large storage surface and just want point for customer attention
- New Model: Self service format, with different areas for training, show room and exhibits
 - Promotes cross-selling, becoming a one-stop shop for irrigation, water treatment, fluid handling and pool products
 - Improved brand awareness
 - Operational efficiency in opex and working capital, simplifying stock management
 - Este es el cuadro de texto de formato vertical.



∞ Roll-out of Multiproduct Commercial Delegations



Become a player in Industrial FH in Asia

Fluidra Youli

- Fluidra closed the signature of a joint venture in China, **Fluidra Youli Fluid Systems (Wenzhou)**, dedicated to fluid handling in the Asian market and an initial focus in the Chinese market

FH Chinese Market

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



Become a player in Industrial FH in Asia

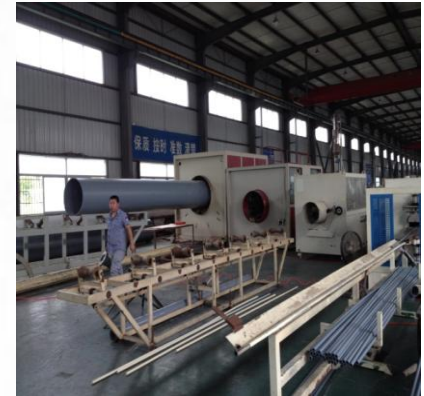
Fluidra Youli Operation

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



Strategic Fit

- The Joint Venture is one additional step in Fluidra's **strategic plan**.
- This operation reinforces the Group **Internationalization** process, strengthening its market share in Asia where it is already leader in Pool. In addition, this is an important step in the business **Diversification**, increasing the Fluid Handling contribution, which today represents slightly more than 8%.
- **Materialization** of the joint venture in China: The creation of the Fluidra Youli joint venture underpins the company's growth potential in China and Asia, strengthening our international expansion strategy and consolidating our fluid handling business.



Develop Industrial Water Treatment business model

Business Model

- Mid-size solutions across different fields
- Mainly turn-key projects to install water treatment plants co-located at the customer's facilities
- Focus on growth through international expansion
- Commercial network provides valuable insight in local markets and helps identify market trends
- Astramatic as the Fluidra company with specialized focus on project execution for water treatment



Al Raha Garden (Abu Dhabi)



Fibracolor Factory (Spain)



Michelin Factory (China)

Advantages

- Improves visibility of revenues and recurrence of business profile
- Reduces seasonality of revenues and EBITDA
- Expands business with higher relative margins

Improve Margins and Cash Flow Generation

Lean Management Program: Key Principles

Commitment

- Commitment from senior and middle management, as well as employees
- Pragmatic approach: focus on “real-life” issues

Potential to Improve

- Aggressive optimization objectives
- “Sky is the limit” in terms of potential to improve efficiency

Maximise Efficiency

- Optimize production and supply chain processes
- Restructure and minimize all functions without value-added

Fluidra Direct

- Old Model: shipments to delegations and from delegation to customers
- New Model: direct shipment to customers from central warehouse
 - Better service
 - Lower inventory requirements
 - Enables for new delegation concept



Supply Chain

- Focus on reducing share of non-value added processes in lead time (time from order reception to delivery)



Operational Excellence

Asia Division

- **Asia Division**, Fluidra has created this new division to promote activities in the Asian market. This new structure will bring together the operations on the continent.

Presence of Fluidra in Asia



Investment Highlights

**High
Quality
Business**

International leadership

Recurrent revenues

Financial strength and proven flexibility

**Attractive
Industry**

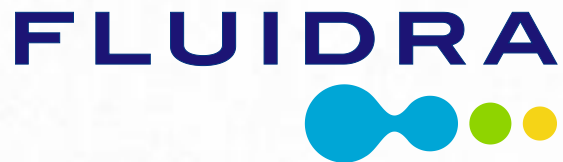
Consolidator in a fragmented market

Growth markets

**Attractive
Valuation**

Lower multiples versus peers

**Clear road map
to increase
shareholder's value**



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