



Franklin Electric

November 2007



“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995.

Any forward-looking statements contained herein, including those relating to the Company’s financial results, business goals and sales growth, involve risks and uncertainties, including but not limited to, risks and uncertainties with respect to general economic and currency conditions, various conditions specific to the Company’s business and industry, weather conditions, new housing starts, market demand, competitive factors, changes in distribution channels, supply constraints, technology factors, litigation, government and regulatory actions, the Company’s accounting policies, future trends, and other risks which are detailed in the Company’s Securities and Exchange Commission filings, included in Item 1A of Part I of the Company’s Annual Report on Form 10-K for the fiscal year ending December 30, 2006, Exhibit 99.1 attached thereto and in Item 1A of Part II of the Company’s Quarterly Reports on Form 10-Q. These risks and uncertainties may cause actual results to differ materially from those indicated by the forward-looking statements. All forward-looking statements made herein are based on information currently available, and the Company assumes no obligation to update any forward-looking statements.

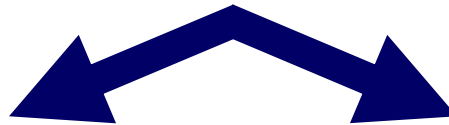
Topics

- Franklin overview
- 2007 performance
- Sales and earnings growth – 2008 and beyond

Strategic Focus

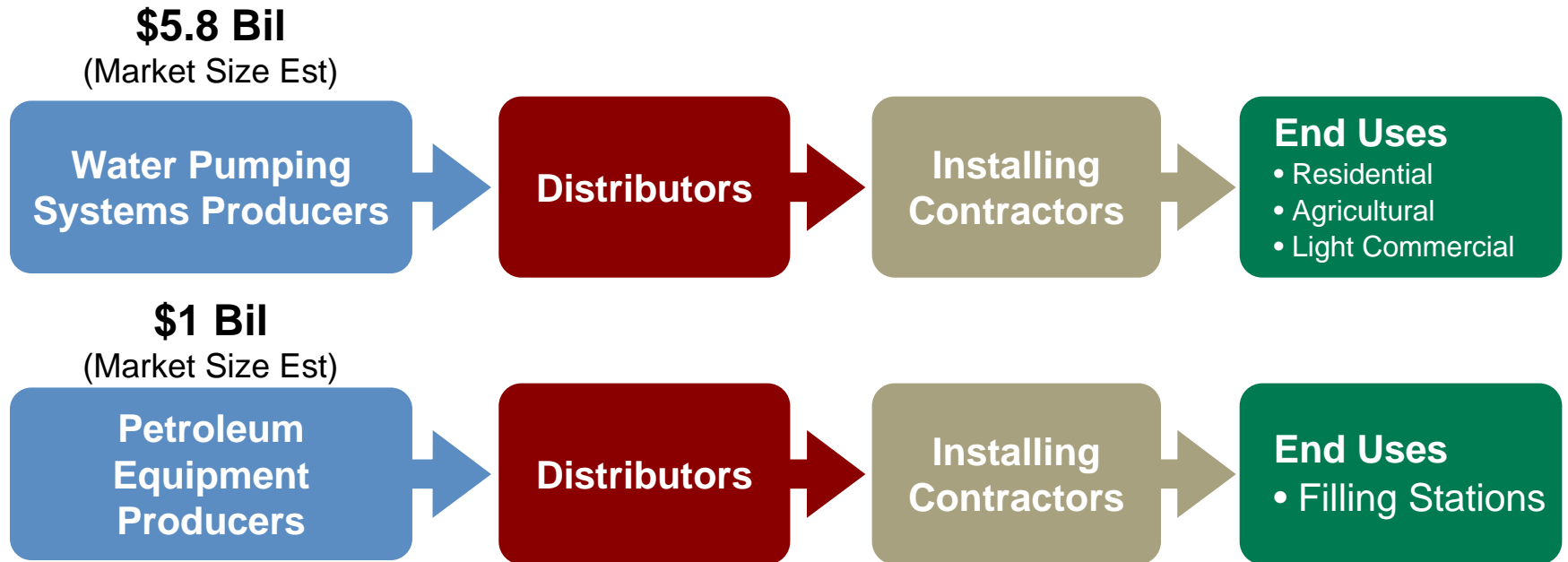
Premier Supplier to Global Water Systems and Petroleum
Equipment Distribution Channels

Process Control Company



Strategic Focus

Water Systems & Petroleum Equipment Distribution Channels



- Growing global demand
- Fragmented customer base
- Installing contractors – value reliability
- Franklin brand equity

Growth Strategy

Product Line Extensions and Geographic Expansion



Franklin
Submersible Motor
1950s



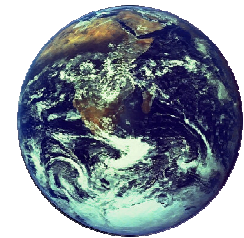
Motors, Controls
and Drives
1990s



Motors, Pumps, Drives
and Controls
2004



Adjacent Pumping
Systems
2006



Global
Sales
Opportunity



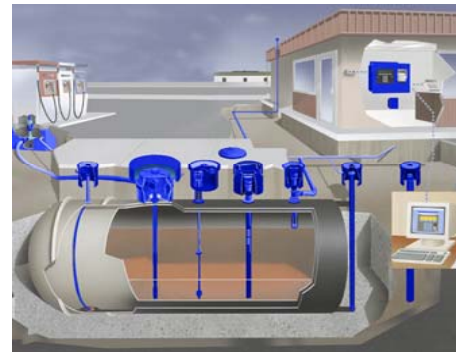
Franklin
Submersible Motor
1960s



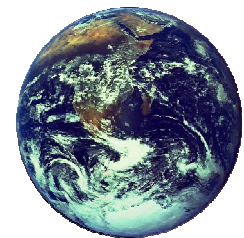
FE Petro
Turbine Pump
1980s



FE Petro Turbine
and Drive
1990s



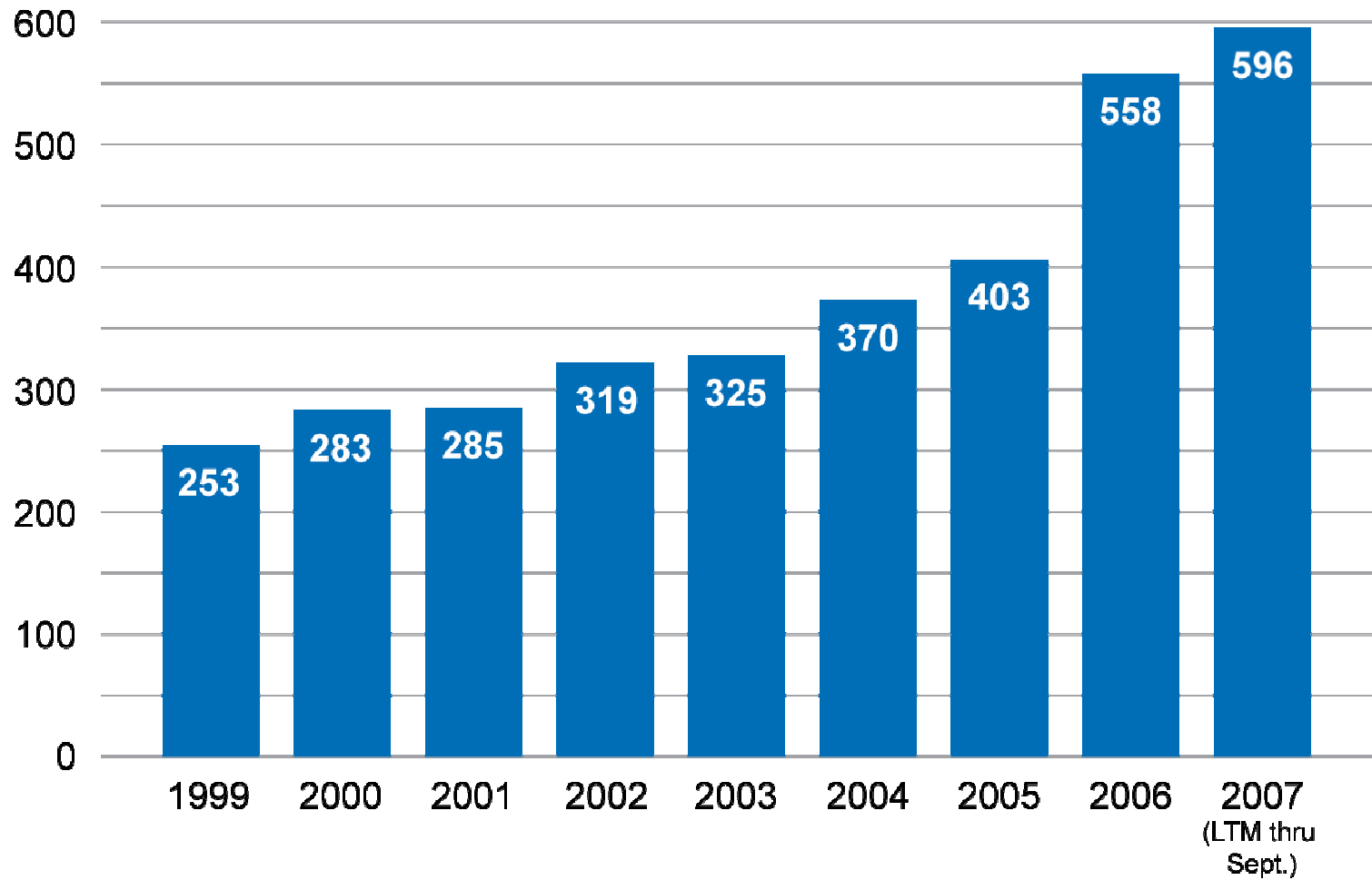
Adjacent Products
2000s



Global
Sales
Opportunity

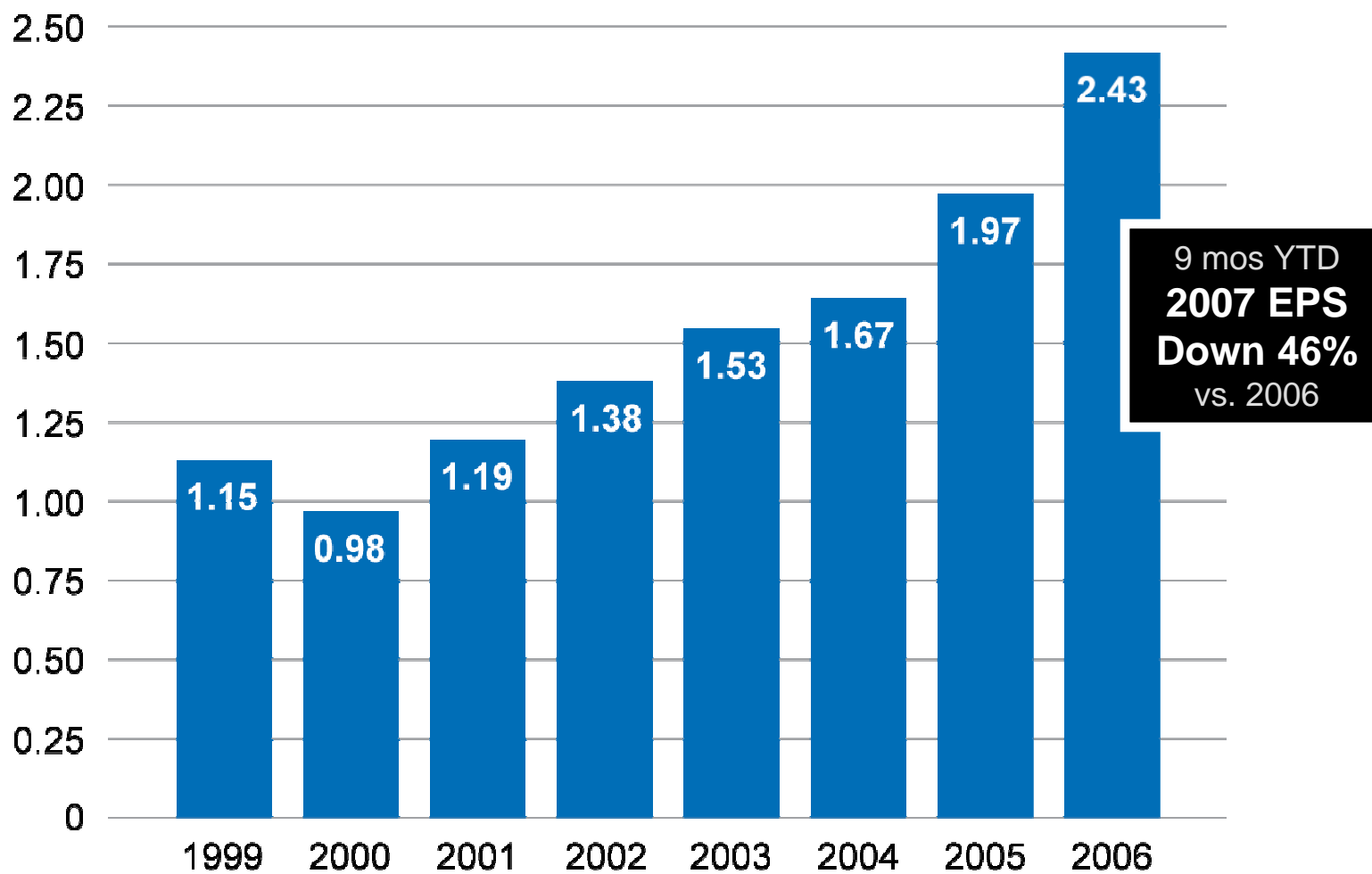
Franklin Sales

1999 – 2007 (LTM thru September)
(\$ Mil)



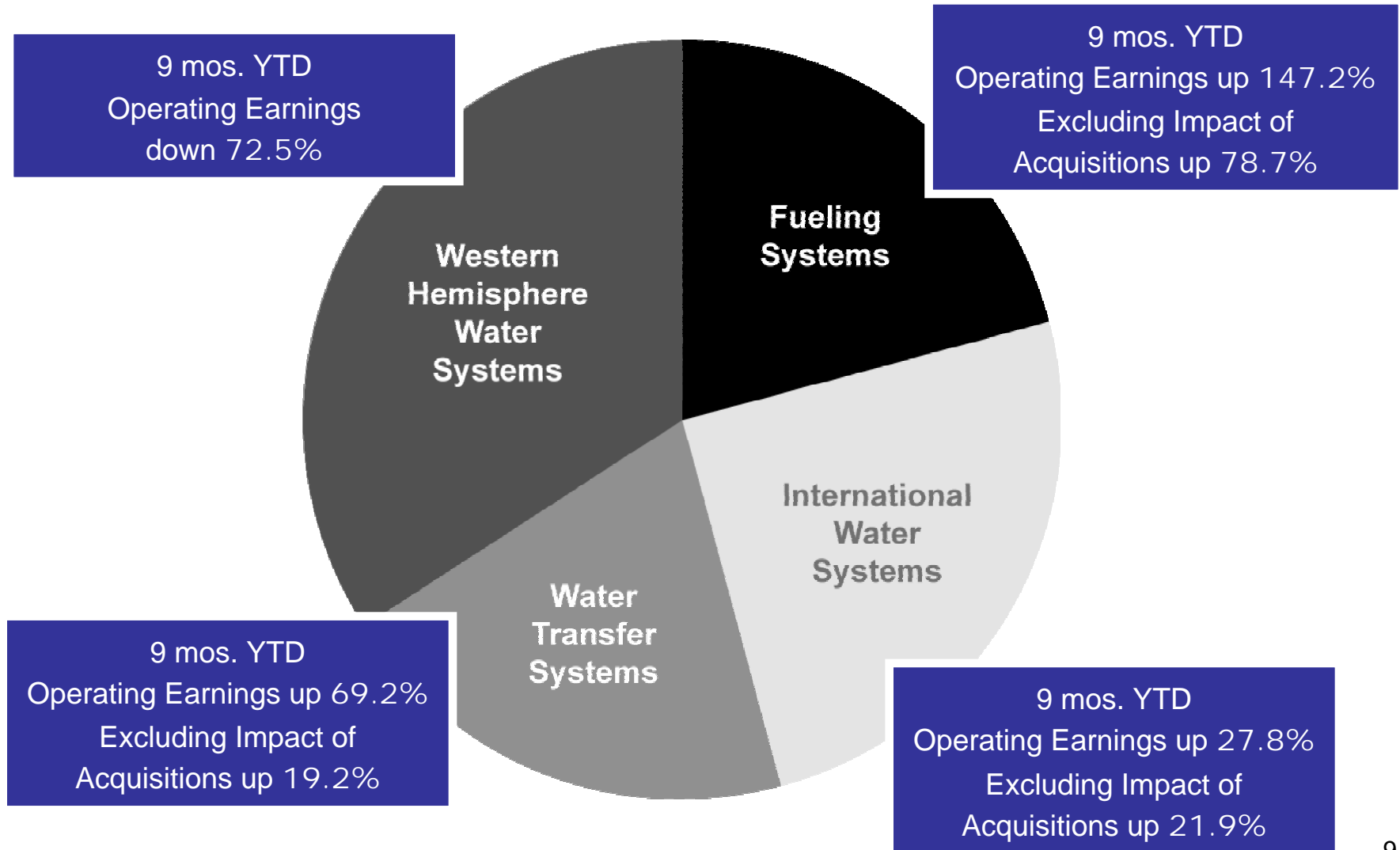
Franklin EPS

1999 – 2006



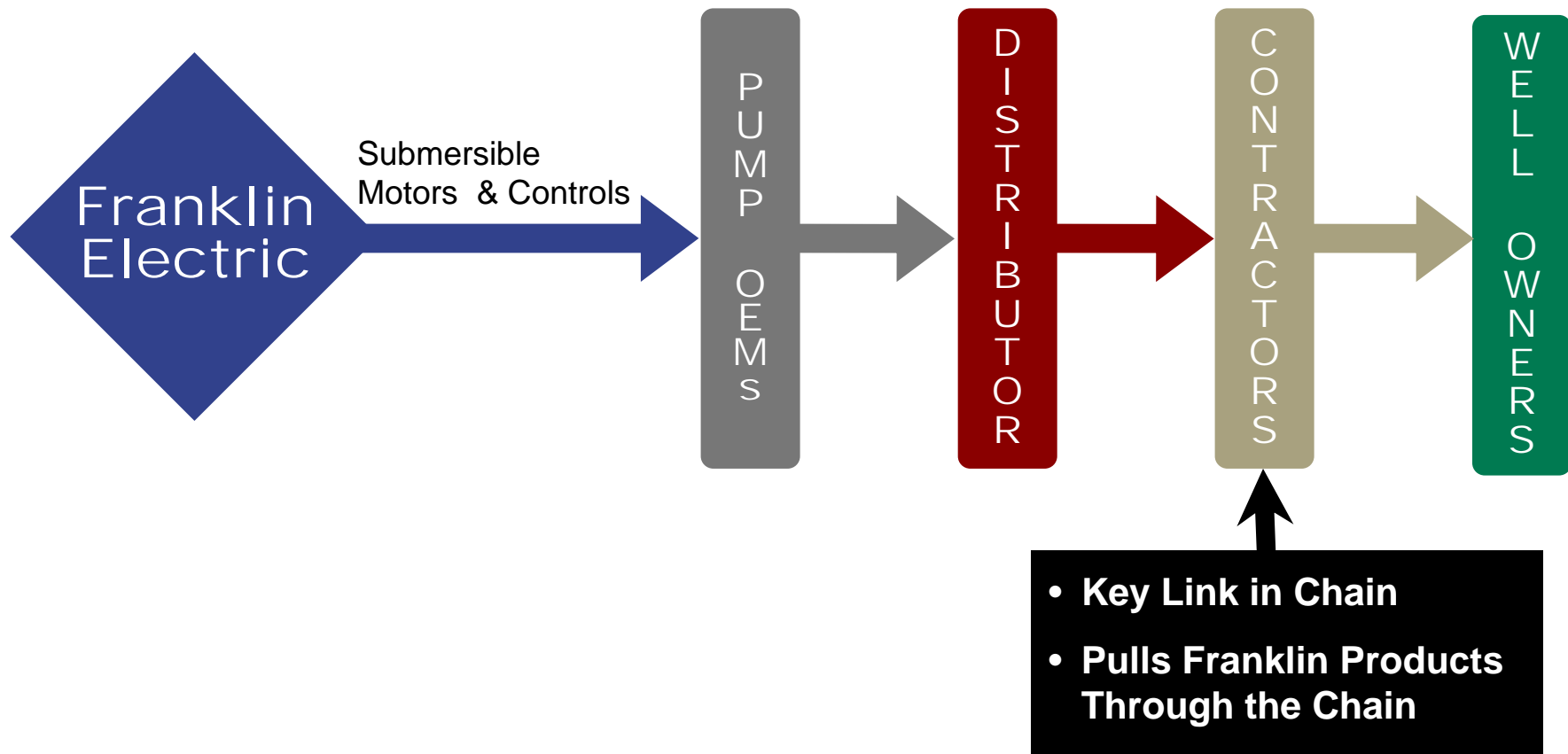
Franklin Operating Units

Sales Mix



Western Hemisphere Water Systems

Business Model Before 2004



Western Hemisphere Water Systems

Contractor Pull – Franklin Motors



Example:

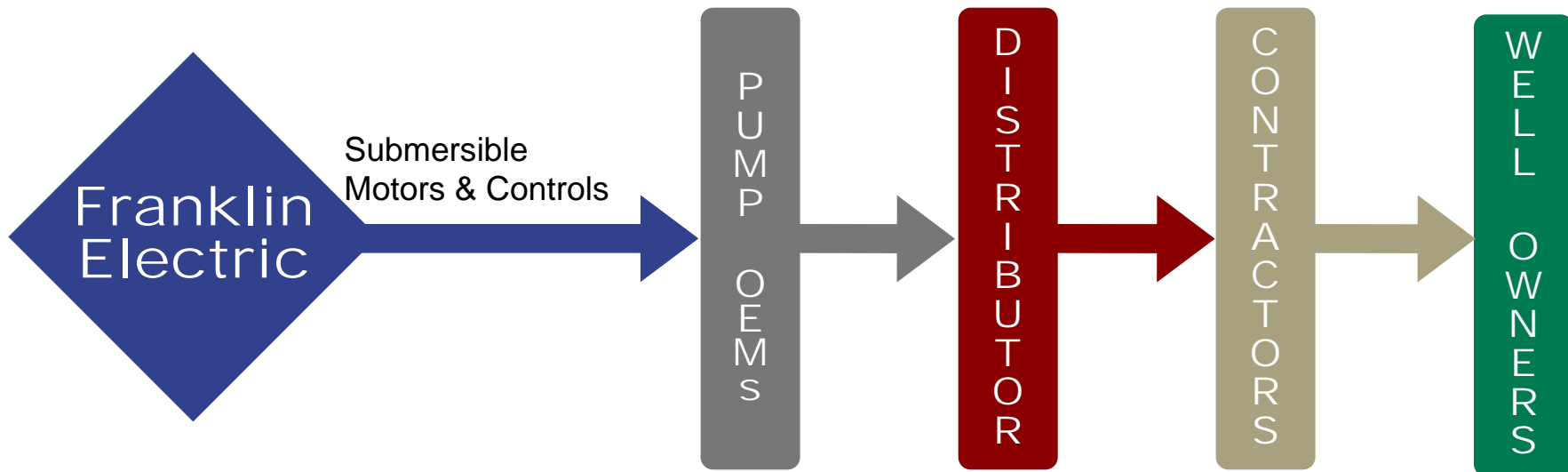
Total 4" Groundwater Installation: \$6,000

Submersible Motor: \$150

Franklin motors and controls contain proprietary features which make them preferred by contractors worldwide

Western Hemisphere Water Systems

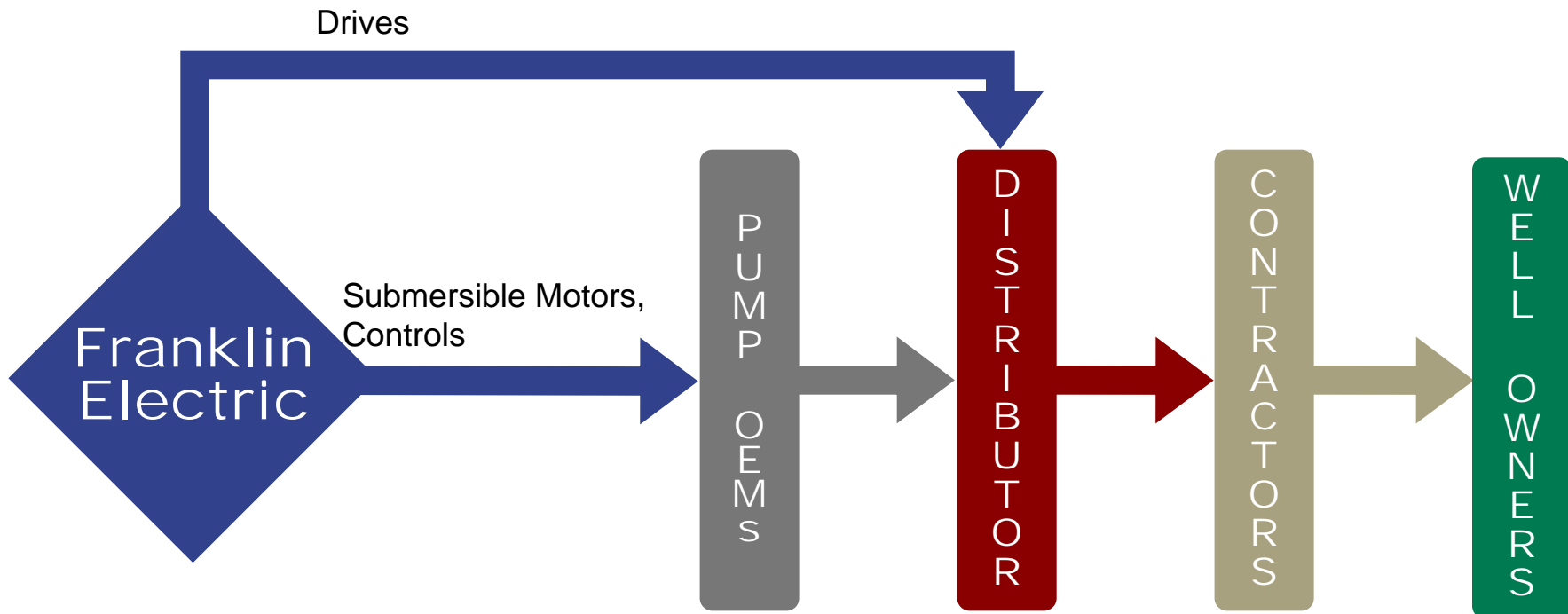
Business Model Before 2004



Structural change – pump industry consolidation

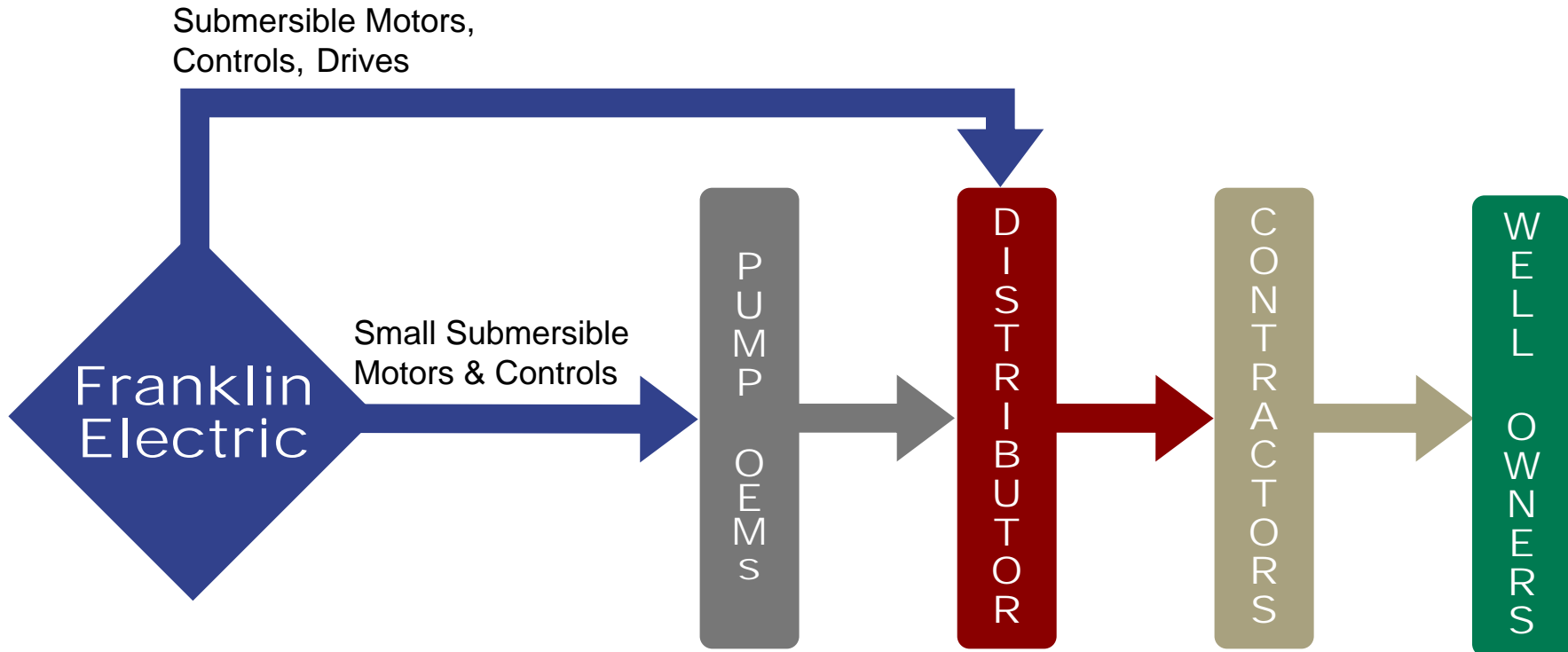
Western Hemisphere Water Systems

Business Model After 2004



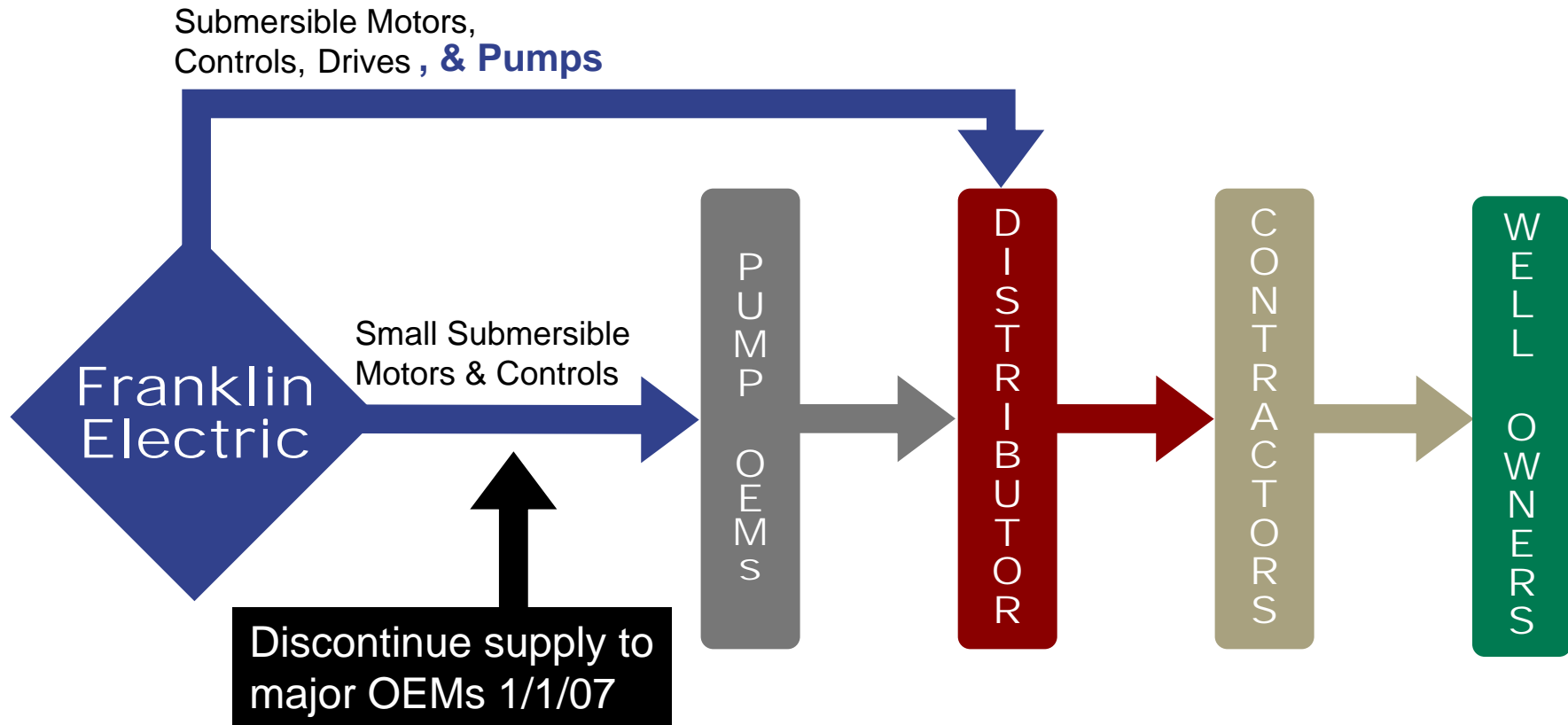
Western Hemisphere Water Systems

Business Model After 2004



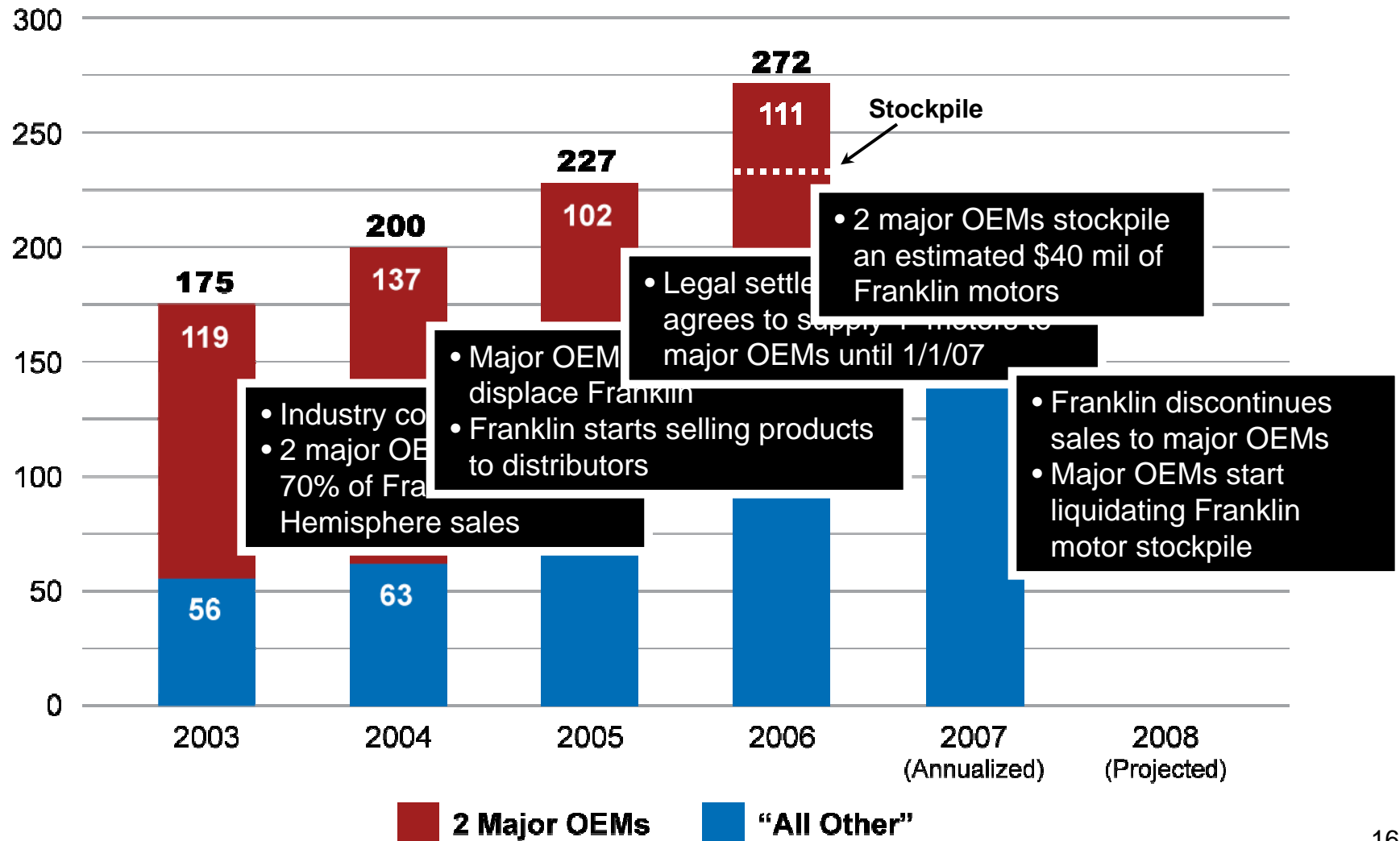
Western Hemisphere Water Systems

Business Model After 2004



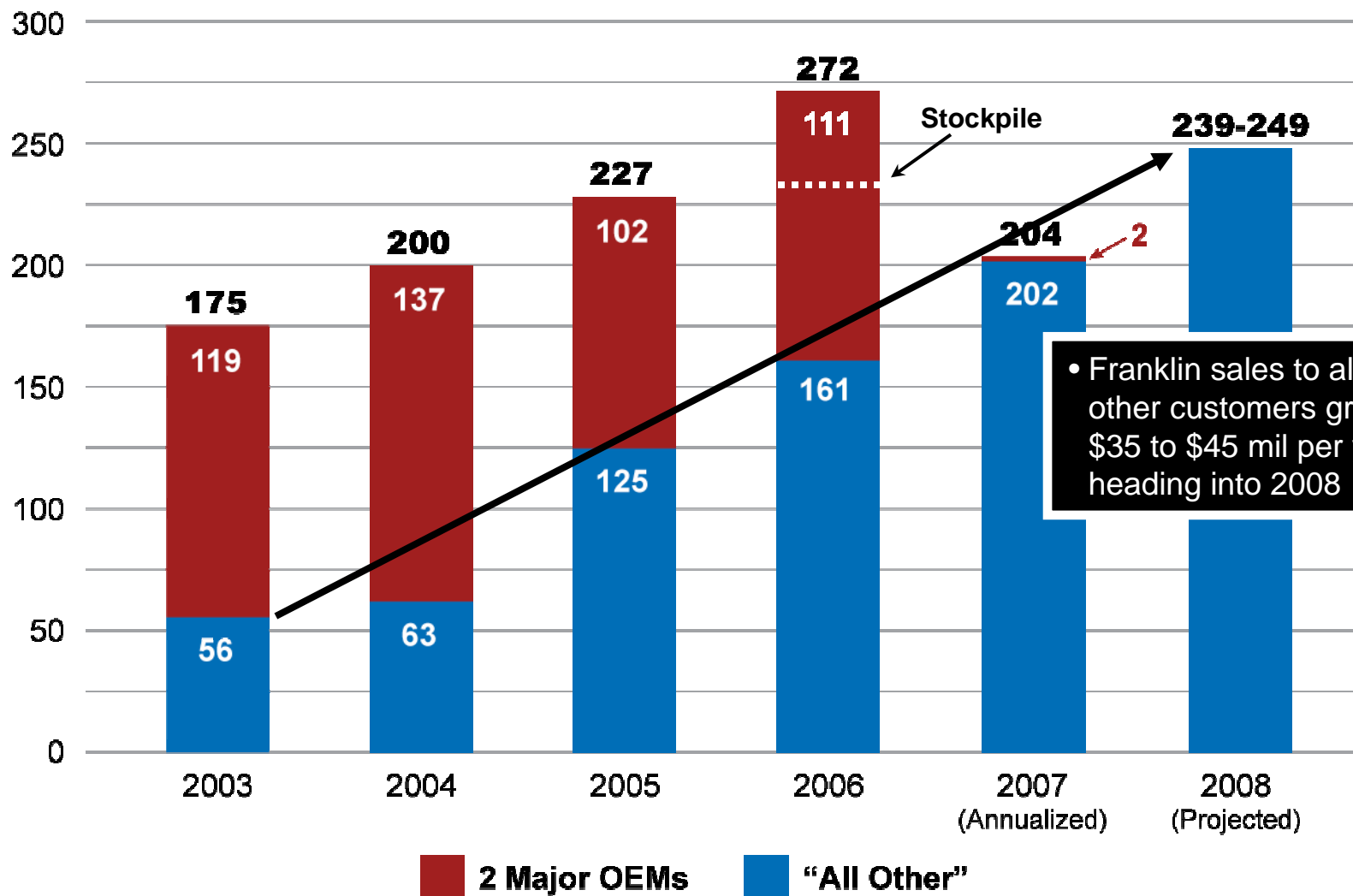
Western Hemisphere Water Systems Sales Mix

2 Major OEMs and "All Other" Customers (\$ Mil)



Western Hemisphere Water Systems Sales Mix



2 Major OEMs and "All Other" Customers (\$ Mil)



• Franklin sales to all other customers growing \$35 to \$45 mil per year heading into 2008

Water Systems Industry

4" Pump/Motor Shipments - 9 mos. YTD (Units)*

	<u>2006</u>	<u>2007</u>	<u>% change</u>
Total industry (WSC)	626,000	554,000	-11.5%
Franklin shipments	Up 61% 		
2 major OEMs	Down 22% 		Response: Price discounting

* Source: Water Systems Council and Franklin management estimate

2007 New Product and Facility Initiatives



2007 Performance

- Fueling, International Water Systems, and Water Transfer Systems Earnings up 24% (ex-acquisitions)
- Western Hemisphere Water Key Issues:
 - Stockpile liquidation
 - Industry shipments down due to slowdown in housing
 - Promotional pricing activity as competitors respond to Franklin share gains
 - Strategic initiatives

Earnings Turnaround in 2008

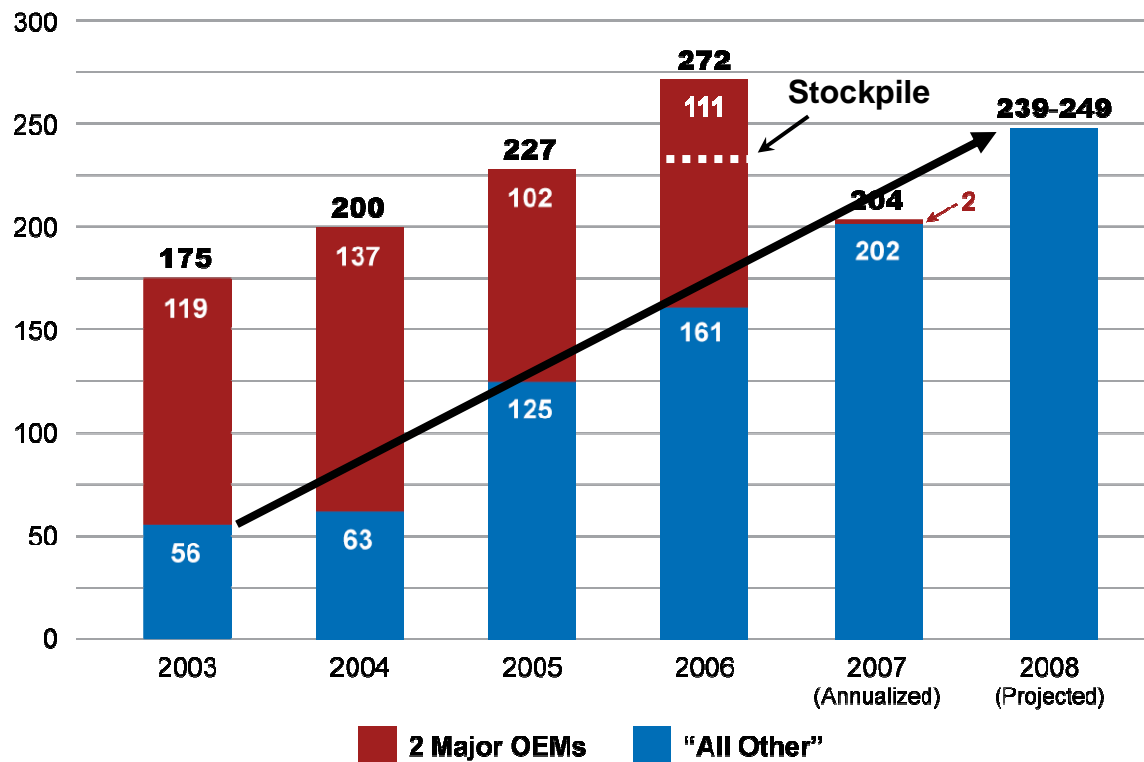
Organic Sales Growth in 2008

	<u>2008 Projected % Organic Sales Growth</u>
Global Water Systems	10% +
Fueling Systems*	20% +
Total	13 % +

* Actual Fueling Systems growth will depend upon timing of the California retrofit.

Western Hemisphere Water Systems

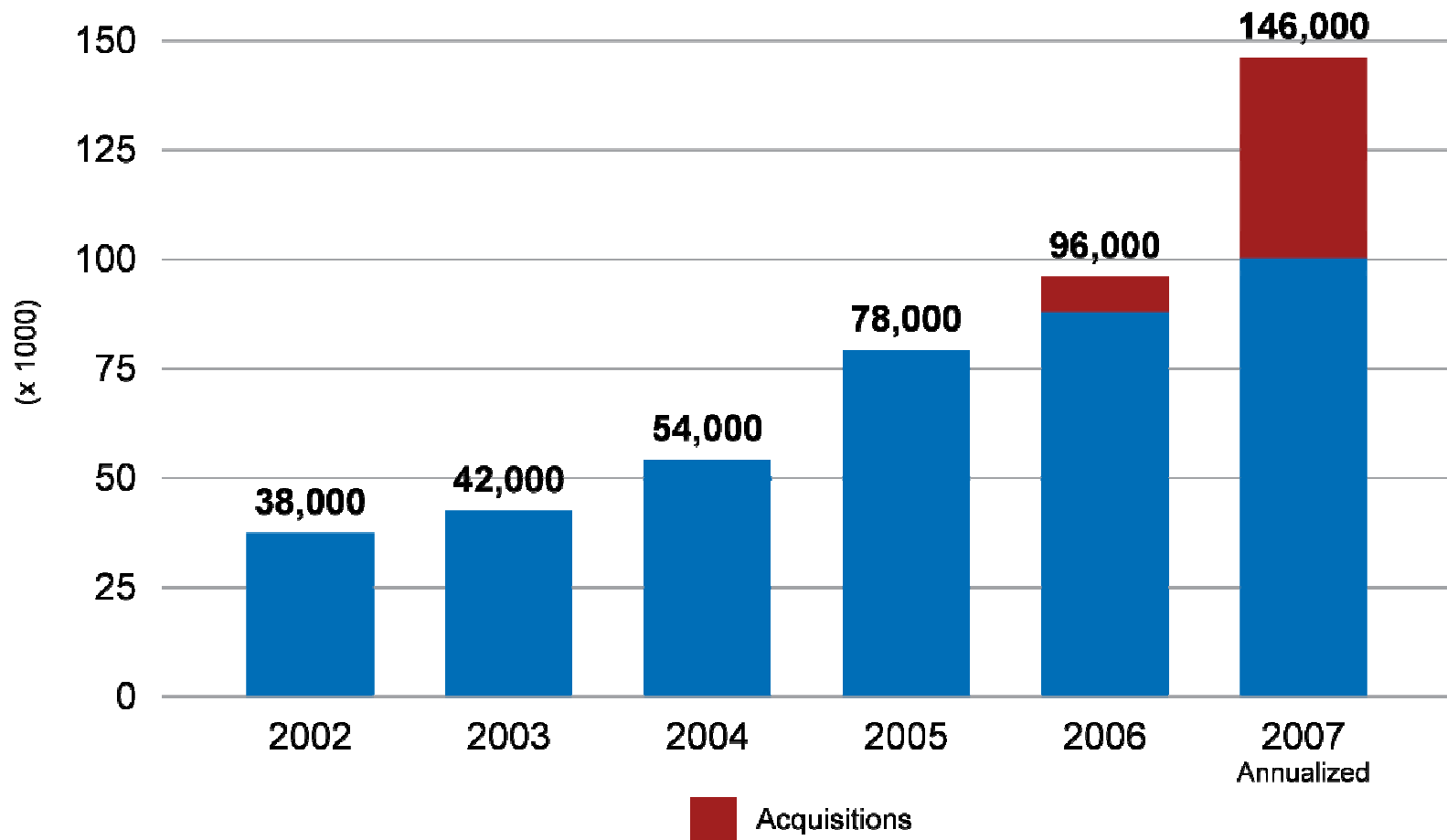
Organic Sales Growth in 2008



- No longer competing against our own motor
- Expanded distributor base
- New pump products
- Growth of Franklin electronic drives

Water Systems Sales in Developing Regions*

2002 – 2007 Annualized (x1000 \$)



* Latin America, Asia/Pacific, Middle East, Africa, Eastern Europe

Fueling Systems Organic Sales Growth in 2008

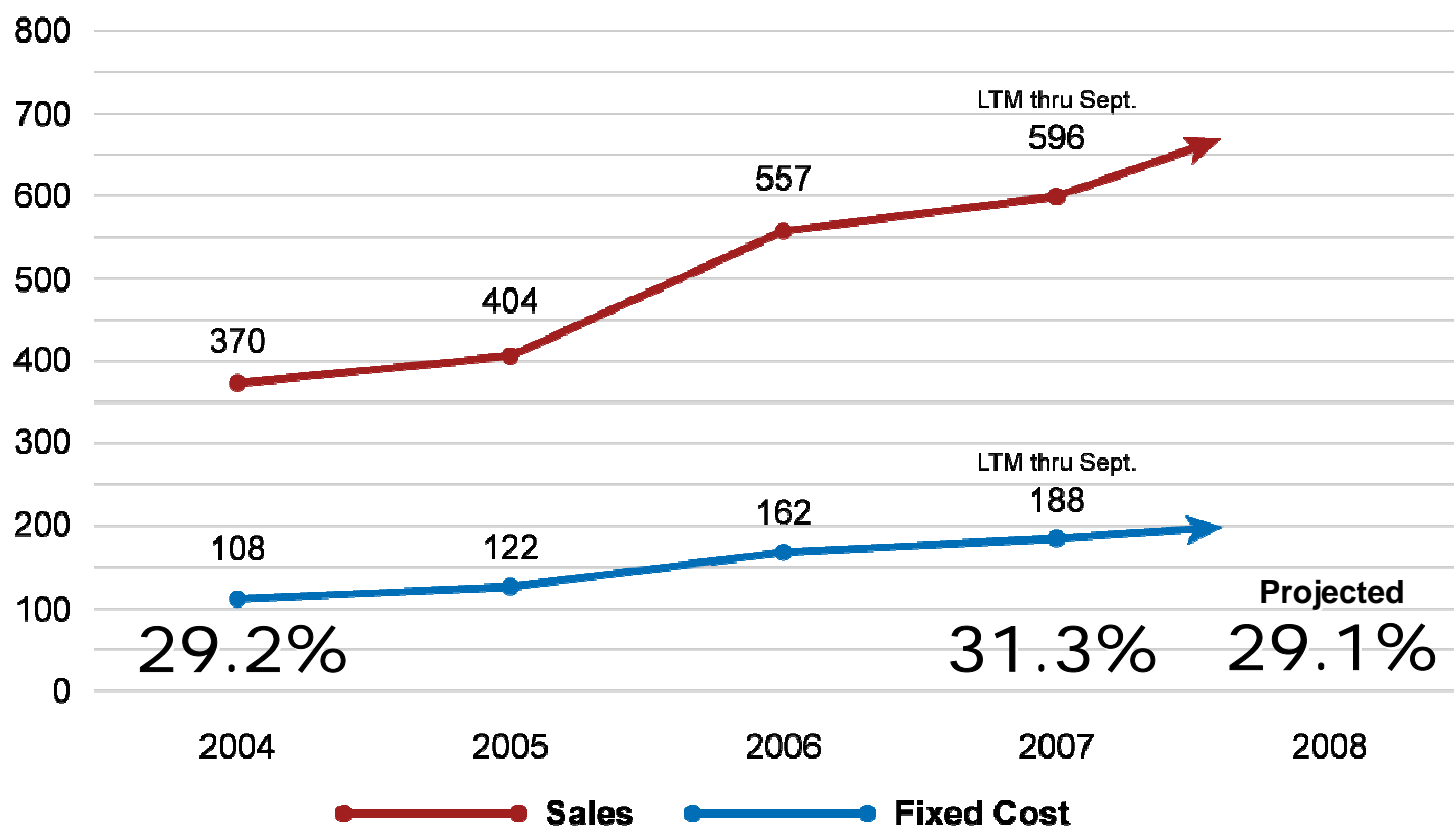
Environmental Legislation – California Vapor Control Regulations



- **Installation must occur prior to third quarter 2010**
- **11,000 stations**
- **Vapor Control Systems - \$18,000-20,000 per station**
Monitoring Systems - \$8,000-15,000 per station
- **\$300 Mil opportunity**
- **Franklin is one of only two approved Vapor Control Systems; anticipate Franklin Monitoring System approval by year end 2007**
- **Other countries/states/municipalities may follow**

Earnings Turnaround in 2008

Fixed Cost Leverage* (\$ Mil)



* Fixed cost = SG & A spending (excluding sales commissions) + fixed cost of sales

Earnings Turnaround in 2008

Direct Cost Reduction Initiatives

- New 4" pumps
- Linares pump plant
- Fueling consolidation in Madison
- Wittlich and Siloam rightsizing

\$7-10 mil

Labor and material cost reduction

Recent Acquisitions



Pump brands
Sales \$32 Mil

Monarch pumps
Sales \$28 Mil

Earnings Improvement in 2008

Uncertain pricing environment

- Organic sales growth
- Fixed cost leverage
- Direct cost reduction initiatives
- Accretive acquisitions



Franklin Electric



Financial Summary

3rd Quarter 2007

Net Sales	\$165 Mil	+ \$ 9 Mil
Operating Income	\$19 Mil	- \$ 6 Mil
% Operating Income	12%	
EPS	\$0.50	- \$ 0.20

Financial Summary

3rd Quarter 2007 (\$ Mil)

	Sales	Prior Yr +(-)	Gross Profit	Prior Yr +(-)
Global Water	\$133.6	(\$1.2)	\$39.0	(\$7.5)
Fueling	\$31.7	\$10.3	\$9.8	\$3.0

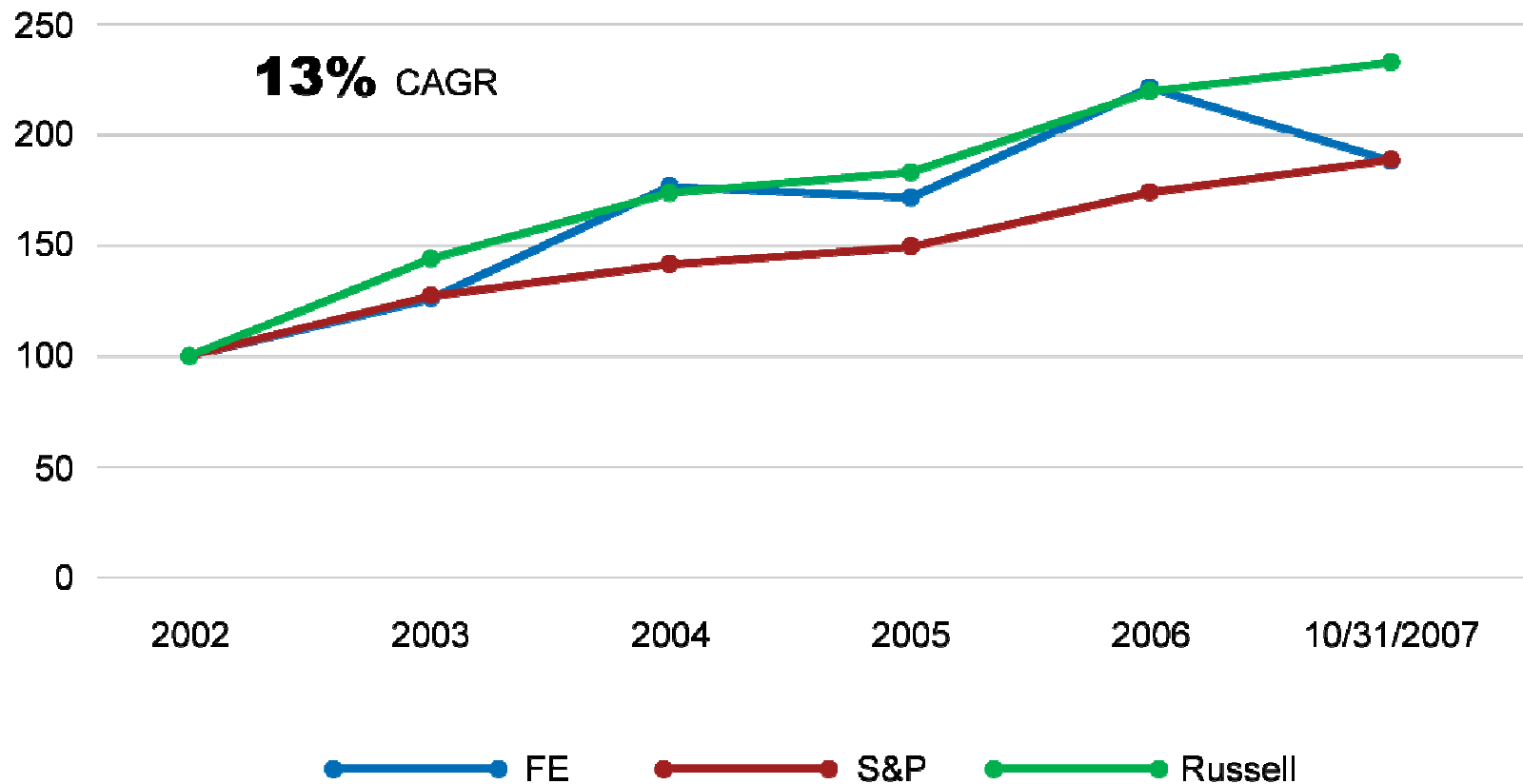
Financial Summary

Operating Cash Flow and Debt to Capital – 3rd Quarter 2007

Net cash flow from operating activities	\$27 Mil
Capital spending	<u>\$8 Mil</u>
Net operating cash flow after capital spending	\$19 Mil
Net debt to total capital (9/29/07)	19%

Financial Summary

Total Return to Shareholders as of 10/31/2007





Franklin Electric

