



Franklin Electric

Monarch Capital Management

August 2008



“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 29, 2007, 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

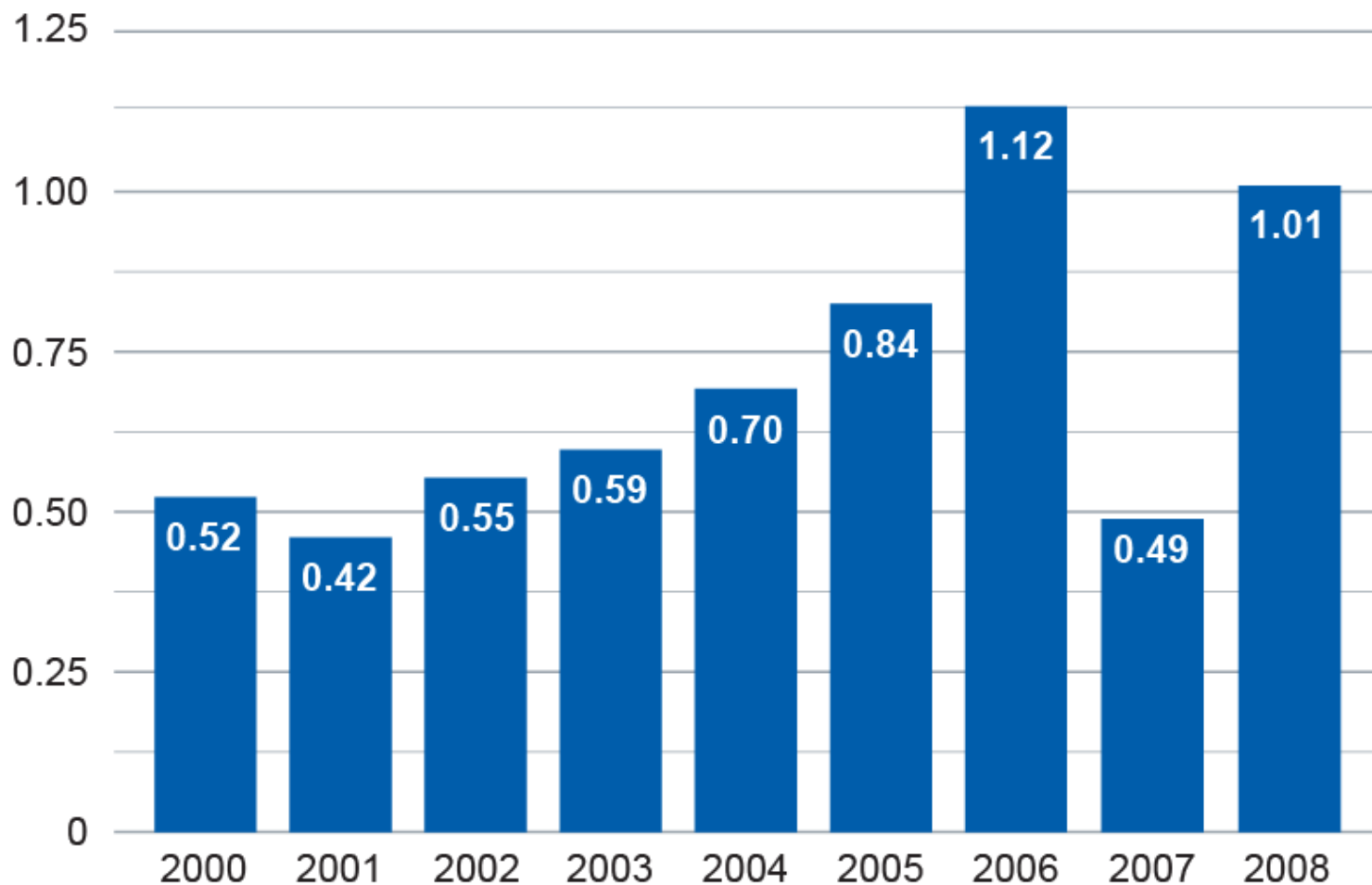
- Overview
- Growth Strategies
- Outlook

Financial Summary

FELE NASDAQ

	2008	
	<u>6 mos YTD</u>	
Sales	\$378 mil	+ 34% (record)
Operating Income	\$41.5 mil	+ 115% (record)
EPS	\$1.01	+ 106%
Dividend (annualized)	\$0.50	Increased for 15 th Consecutive Year
Net Debt/Capital Employed	29%	

First Half EPS



Strategic Focus

**Residential, Agricultural &
Commercial Water Systems**
\$5.6 Bil Global Market Potential

Fueling Systems
\$1.0 Bil Global Market Potential



Steadily Growing
Global Demand

Customers Value
Reliability

Franklin Brand
Equity



Growth History

Product Line Extensions and Geographic Expansion

Water Systems



Franklin
Submersible Motor
1950s



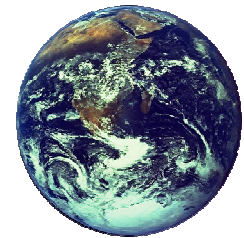
Motors, Controls
and Drives
1990s



Motors, Pumps, Drives
and Controls
2004



Adjacent Pumping
Systems
2006



Global
Sales
Opportunity

Fueling Systems



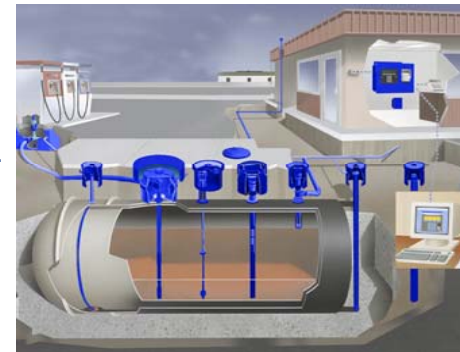
Franklin
Submersible Motor
1960s



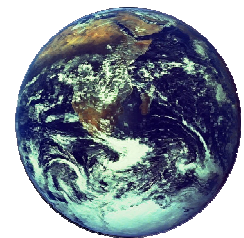
FE Petro
Turbine Pump
1980s



FE Petro Turbine
and Drive
1990s



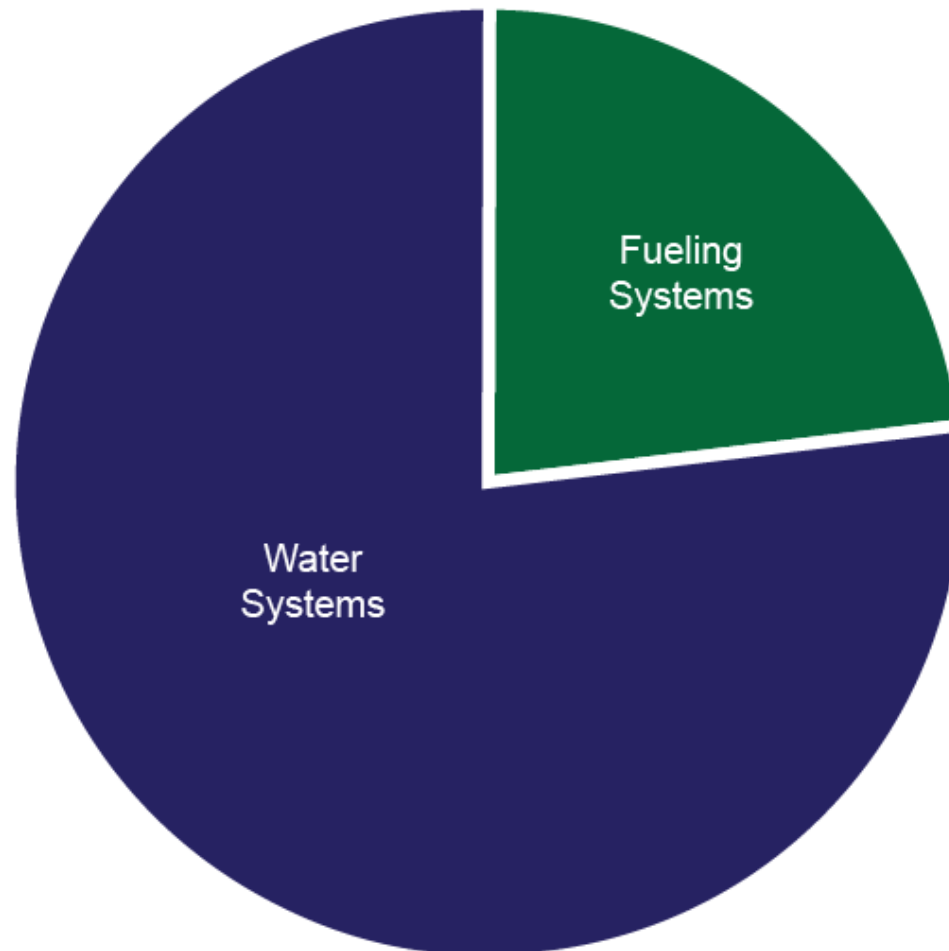
Adjacent Products
2000s



Global
Sales
Opportunity

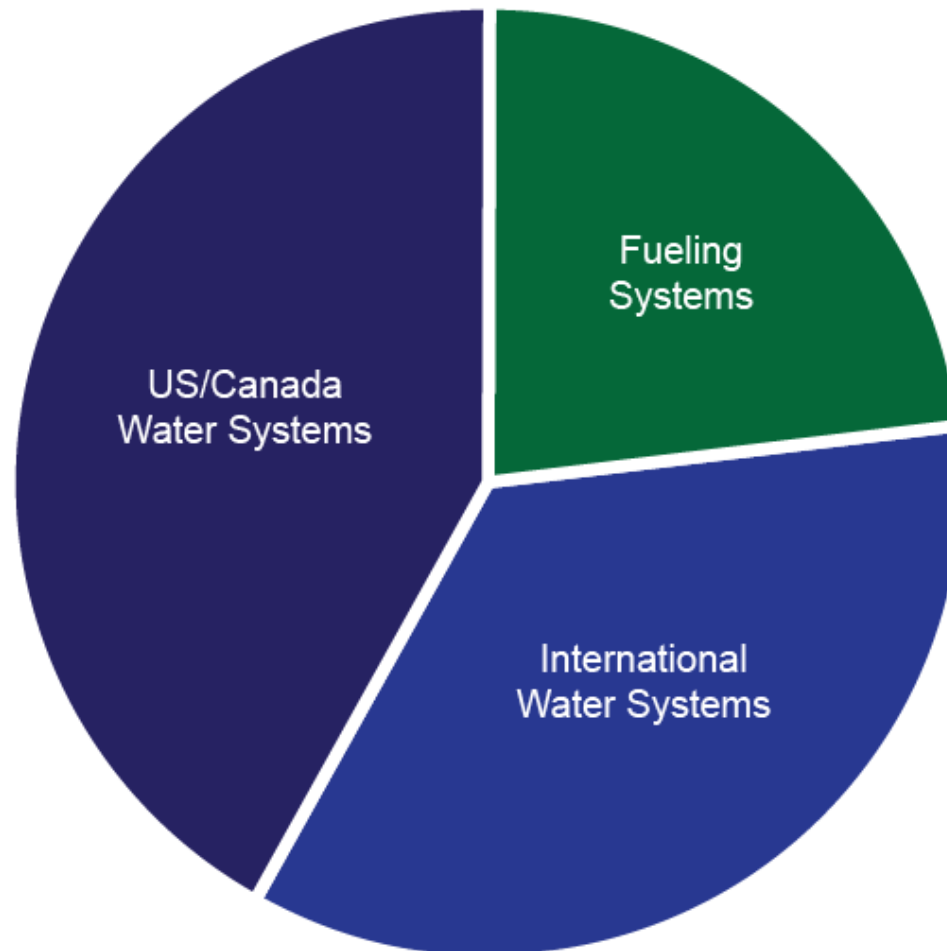
Product/Market Sales Mix

2008 Annualized Sales \pm \$780 mil



Product/Market Sales Mix

2008 Annualized Sales \pm \$780 mil



Water Systems

Product Categories



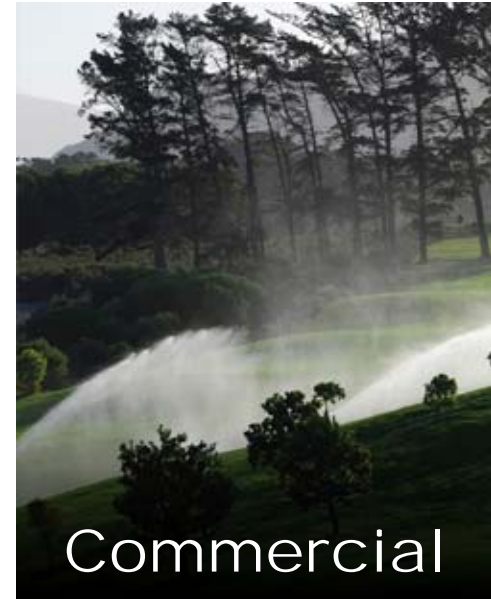
Residential

- Private Water Well
- Community Water Well
- Dewatering/Sump Pumps
- Sewage & Effluent Pumps
- HVAC Condensate Pumps
- Pond & Fountain Pumps
- Pressure Boosting
- Utility Pumps



Agricultural

- Irrigation Systems
- Livestock Watering Systems



Commercial

- Dewatering
- Pressure Boosting
- Desalination

Water Systems YTD Financial Summary:

6 mos

Sales	\$294 mil	+33% (10% organic)
Operating Income	\$41 mil	+62%

Franklin Global Market Position

Groundwater Pumping Systems

	<u>% of \$2 bil Global Addressable Market*</u>
Franklin Electric	18-19%
Competitor A	11-13%
Competitor B	10-11%
Competitor C	9-11%
Competitor D	3-4%
All Others	42-49%
Total	100%

Residential, Agricultural & Commercial Pumping Systems - League Table

	<u>% of \$5.6 bil Global Addressable Market*</u>	
Competitor A	13-16%	
Competitor B	11-12%	
Franklin Electric	10-11%	← 5-6% in 2004
Competitor C	6-8%	
Competitor D	2-3%	
All Others	51-59%	
Total	100%	

International Water Systems

35% of Total Franklin Sales

**YTD 2008
Sales Growth**

US/Canada Water Systems + 15%

International Water Systems + 62%



International Water Systems

Addressable Market and Growth Trend

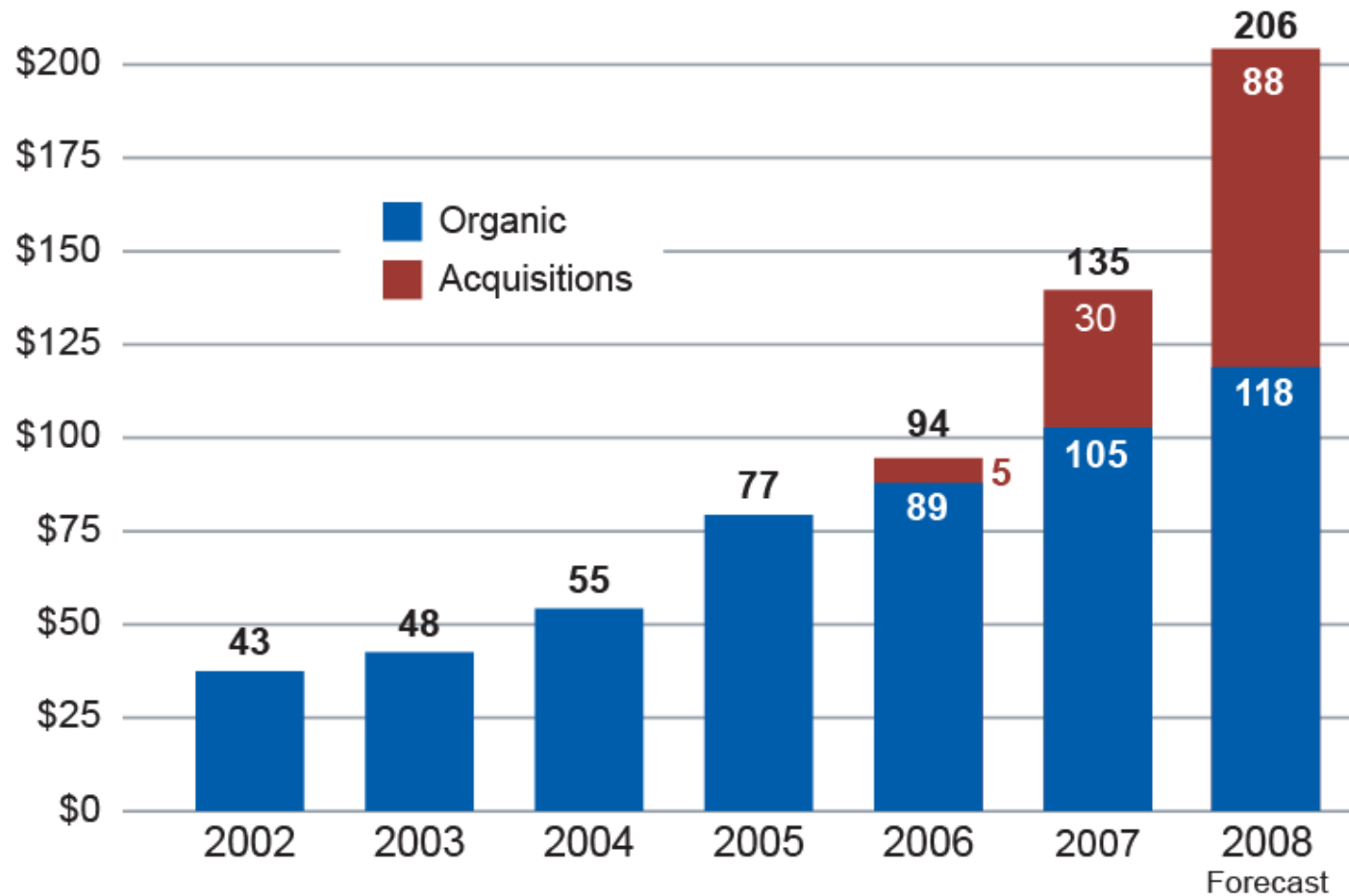
	Total Addressable <u>Market</u>	<u>Growth Profile</u>
US/Canada Water Systems	\$1.2 bil	→
International Water Systems (Mature Regions*)	\$2.0 bil	→
International Water Systems (Developing Regions**)	\$2.4 bil	↑
Total Water Systems Addressable Market	\$5.6 bil	↗

* Mature Markets – Western Europe, Australia/NZ, Japan

** Developing Markets – Latin America, Asia/Pacific, Mid East, Africa, Eastern Europe

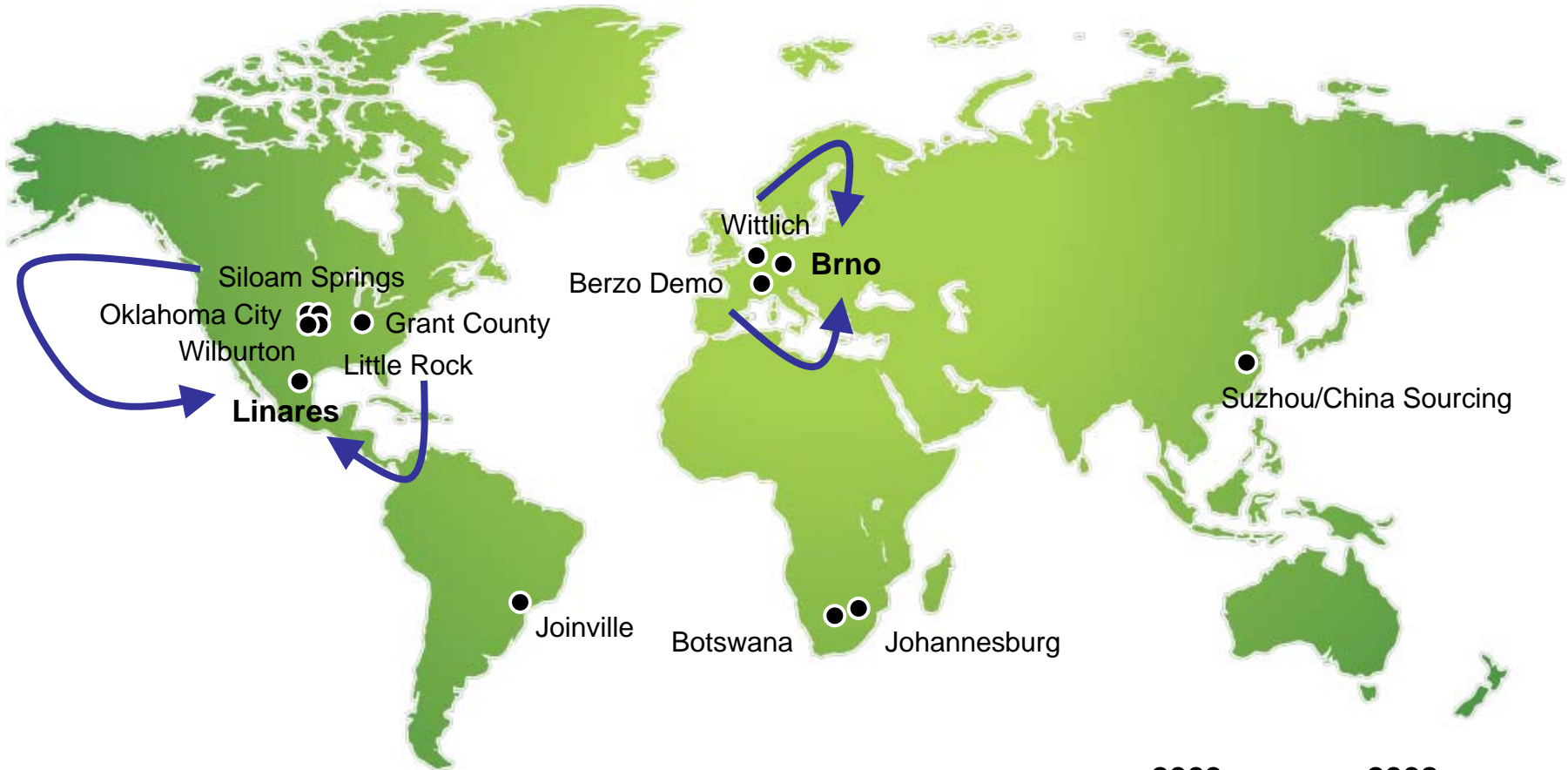
International Water Systems

Sales in Developing Regions*



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

Global Water Systems Manufacturing Facilities



% Water Systems Manufacturing Headcount in Low Cost Regions

2003

10%

2008

45%

Water Systems

Major New Product Opportunities
Drive and Control Technologies

Growing Electronic Product Family

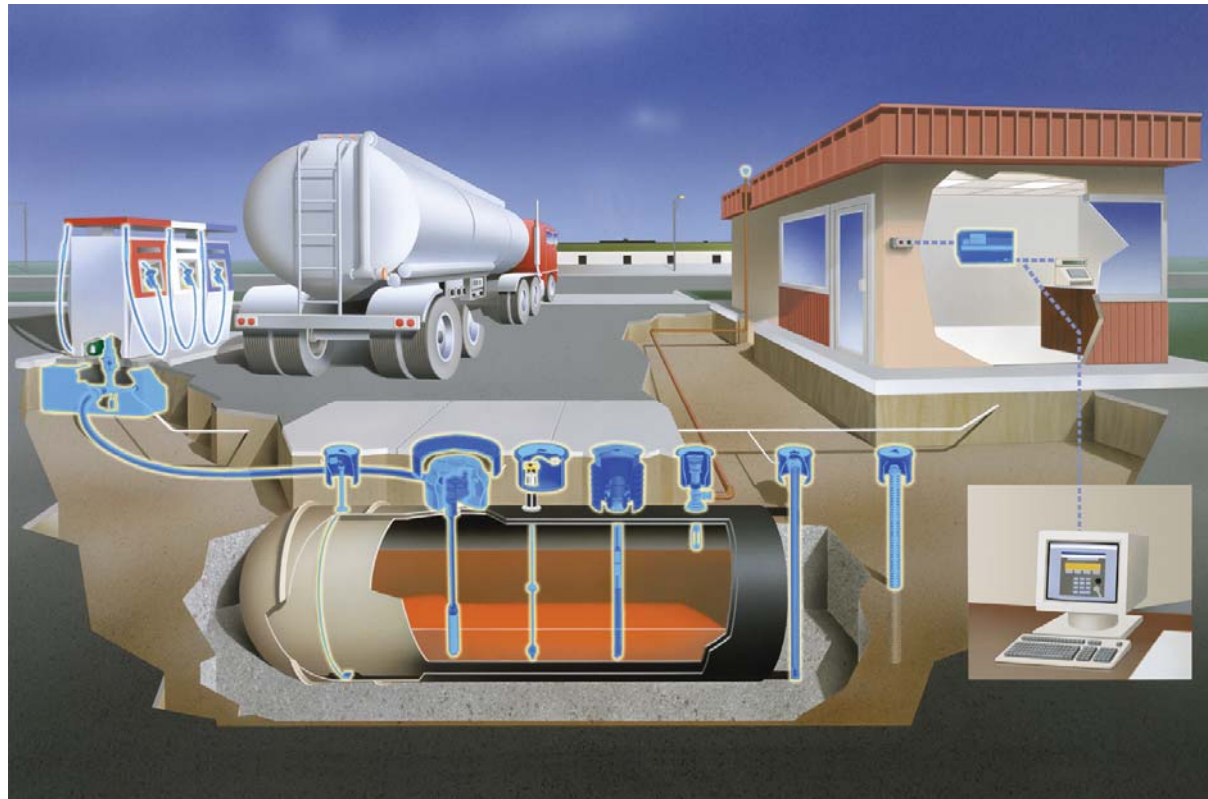


Grant County Factory



Franklin Fueling Systems

23% of Total Franklin Sales



Franklin Fueling Global Market Position

Fueling Equipment*

	<u>% of \$1 bil Global Addressable Market**</u>
Franklin Electric	17%
Competitor A	12-14%
Competitor B	10-12%
All Others	57-61%
Total	100%

	<u>6 mos YTD</u>	
Sales	\$84 mil	+ 33% (All Organic)
Operating Income	\$20 mil	+ 84%

* Excludes Dispensing Systems

** Source – Franklin Management Estimates

Franklin Fueling Systems

Key Growth Driver:

Franklin Fuel Management Systems (Modules)

Environmental Issues:



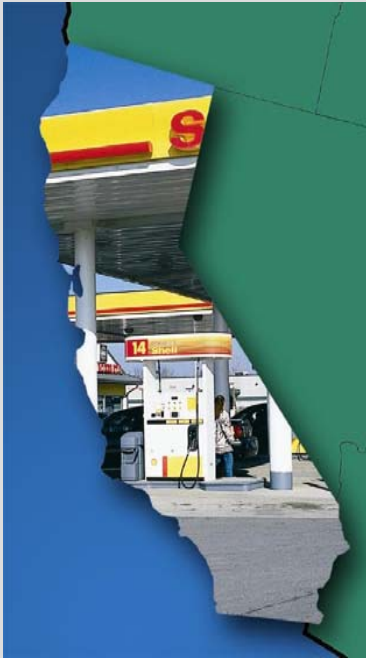
- Vapor Control and Monitoring



- Leak Detection
- Product Adulteration Detection
- Inventory Monitoring and Management
- Variable Speed Pumping

Franklin Fueling Systems

California Vapor Control Mandate



- 12,000 Filling Stations in California
- Equipment Cost = \$27,000/station
- \$300 mil Market Opportunity 2008-2009
- Franklin is One of Only Two Authorized Suppliers
- 25% of Conversion Complete – Franklin Share 80%
- International Vapor Control Mandates

Franklin Fueling Systems

Vapor Control Mandates Currently Being Implemented

<u>Country/Municipality</u>	<u>Number of Stations</u>	<u>Timing/Status</u>
China:		
Beijing, Tianjin, Hebei	1,500	July 2008
Shanghai, Guangzhou	6,000	Jan 2010
UK*	3,500	Dec 2009
Spain	2,500	N/A
Isreal	1,000	N/A
Mexico:		
State of Mexico	500	N/A

* All stations over 3.5 M liters per year

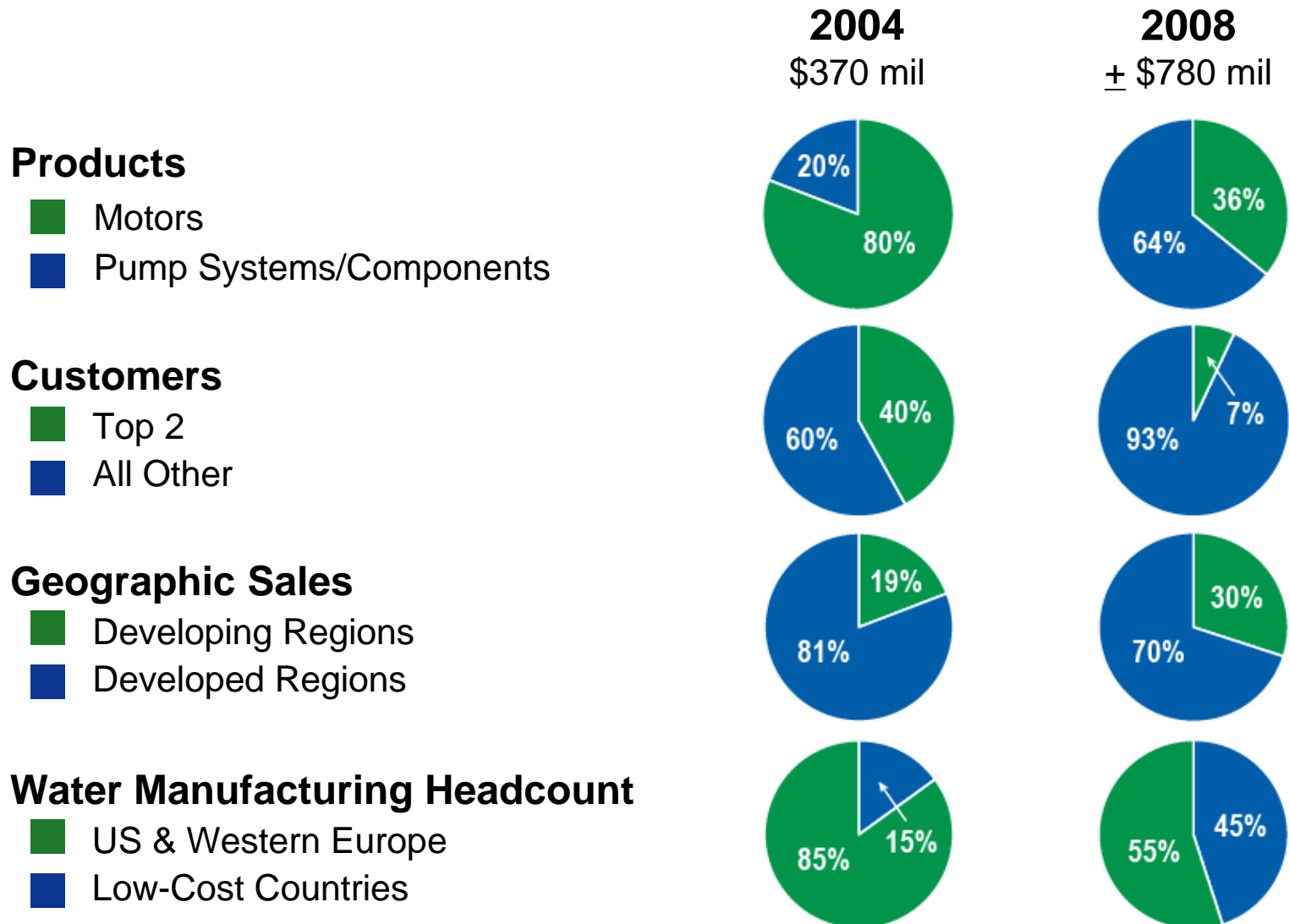
Franklin Electric 2008 Outlook

- Total Sales Growth – 25% to 30%
- Organic Sales Growth in Excess of 12%
- Fixed Spending Leverage in Excess of 220 BPS
- Back Half Rate of Profit Improvement may be Slower than First Half



- **Raw Material and Freight Inflation**
- **Deteriorating Economic Conditions**

Franklin Changing Global Profile





Franklin Electric

