



Franklin Electric

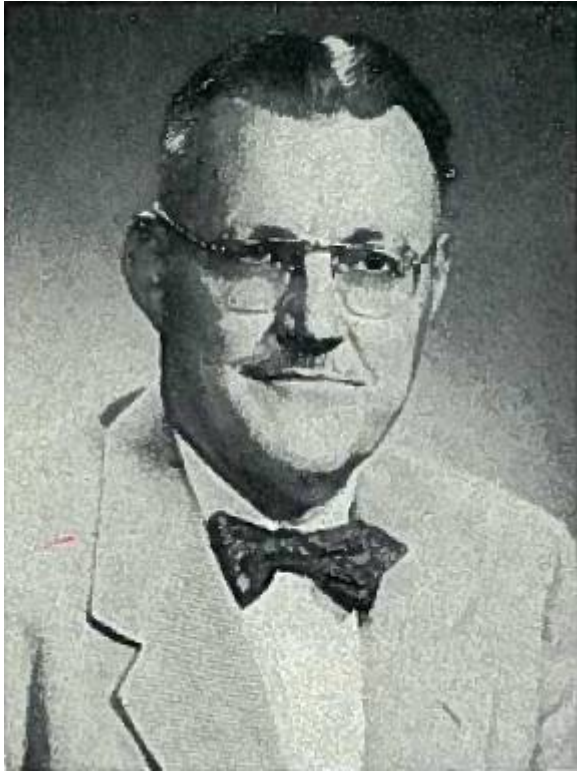
Rotary Club of Indianapolis

October 2008



Franklin Electric







Franklin Electric







Franklin Electric







Franklin Electric





Manufacturing Locations

Approx. **\$800 Million Sales & 3600 Employees**



- ★ Headquarters
- Manufacturing Facilities

Franklin Electric

Selected by Forbes Magazine for 6 years as one of the
“200 Best Run Small Companies in America”



Financial Summary

FELE NASDAQ

	2008	
	<u>9 mos YTD</u>	
Sales	\$593.5	+ 32% (record)
Operating Income	\$69.1	+ 78% (record)
EPS	\$1.75	+ 77%
Dividend (annualized)	\$0.50/share	Increased for 15 th Consecutive Year

Strategic Focus

Residential, Agricultural & Commercial Water Systems

\$5.6 Bil Global Market Potential



Steadily Growing
Global Demand

Customers Value
Reliability

Franklin Brand
Equity

Fueling Systems

\$1.0 Bil Global Market Potential





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



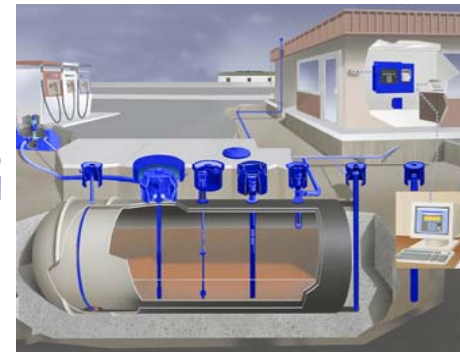
Franklin Submersible Motor
1960s



FE Petro
Turbine Pump
1980s



FE Petro Turbine
and Drive
1990s



Adjacent Products
2000s

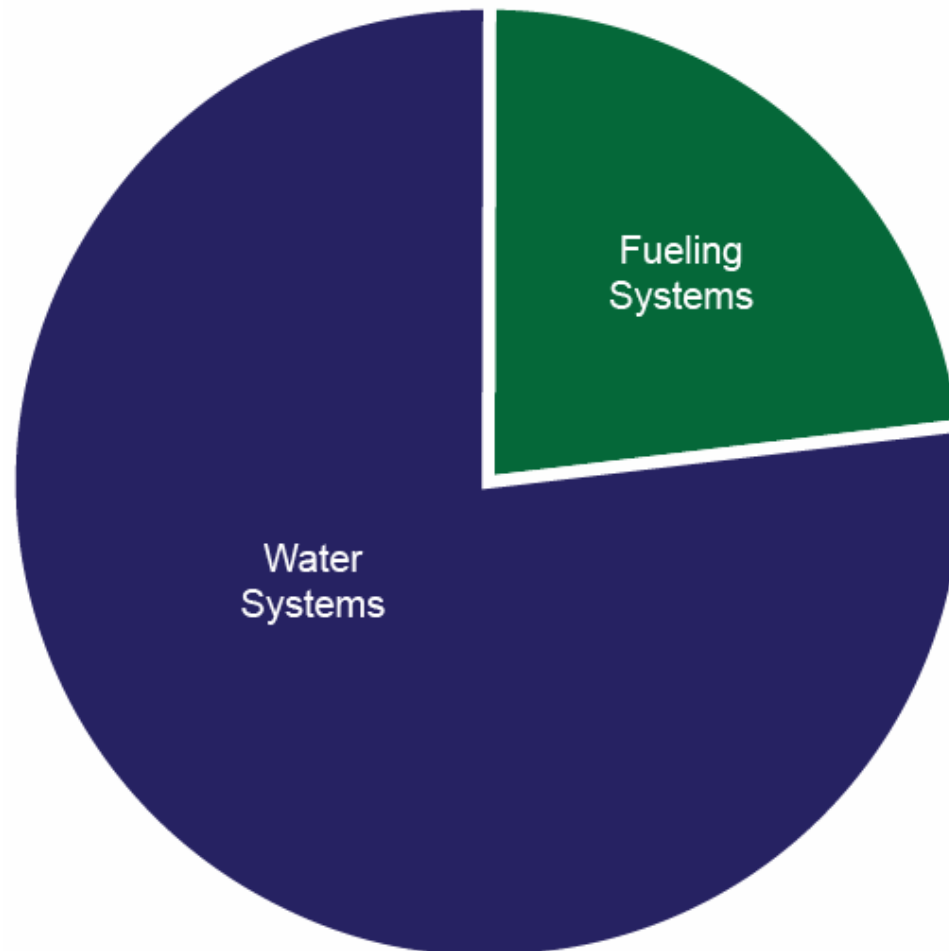


Global
Sales
Opportunity



Product/Market Sales Mix

2008 Annualized Sales \pm \$780 mil



Water Systems

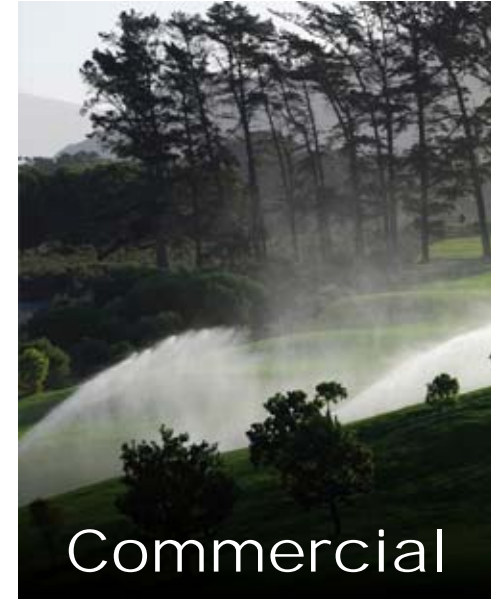
Product Categories



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



Irrigation Systems
Livestock Watering Systems



Dewatering
Pressure Boosting
Desalination

Water Systems

YTD Financial Summary

	<u>9 mos YTD</u>	
Sales	\$449 mil	+ 27%
Operating Income	\$59.8 mil	+ 29%

Franklin Global Market Position

#1 in 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

#3 in RAC Pumping Systems

	<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	50-58%	
Total	100%	

International Water Systems

35% of Total Franklin Sales

	<u>YTD 2008 Sales Growth</u>
US/Canada Water Systems	+ 13%
International Water Systems	+ 48%



International Water Systems

Addressable Market and Growth Trend

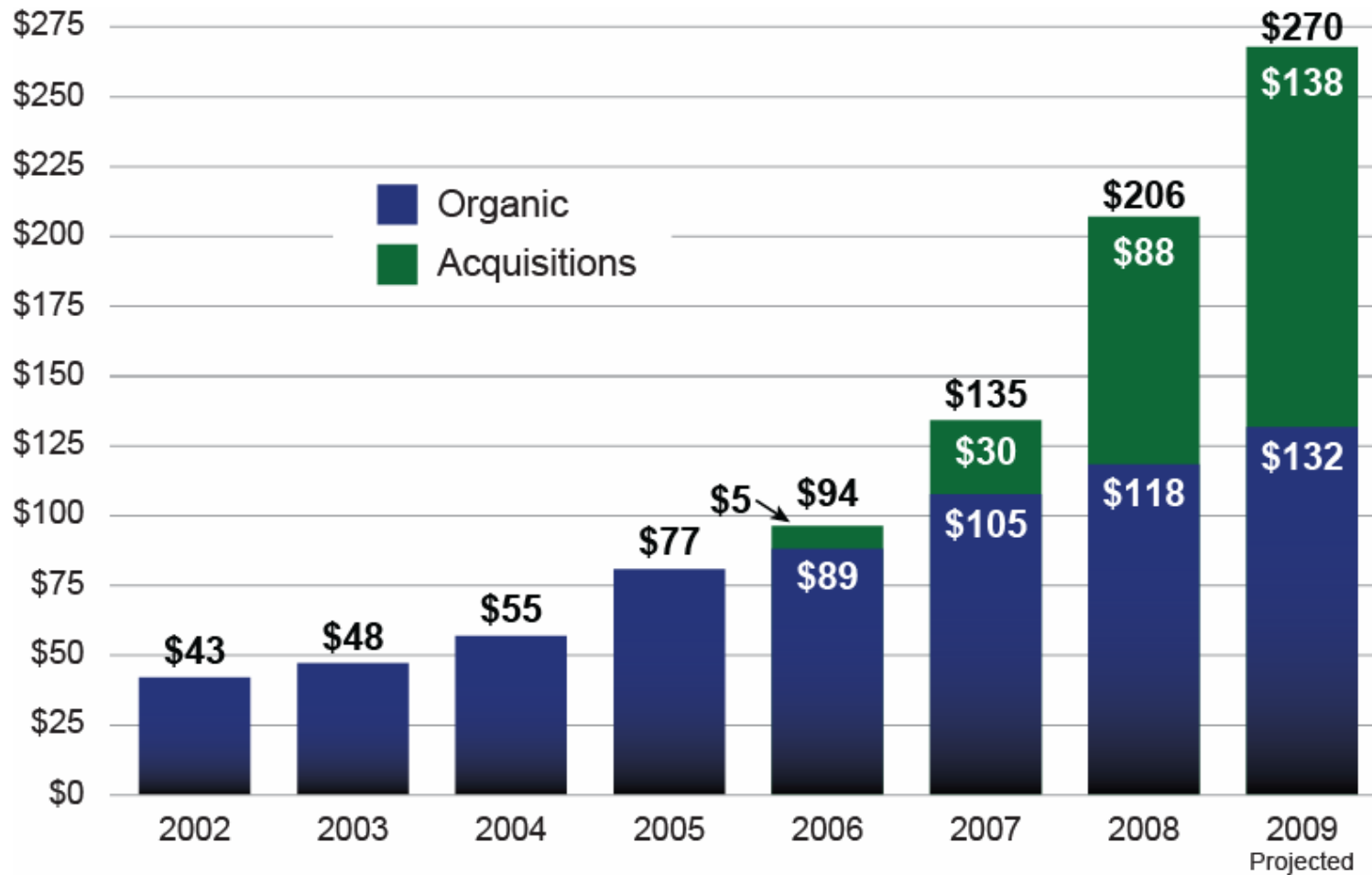
	Total Addressable <u>Market</u>	<u>Growth Profile</u>
US/Canada Water Systems	\$1.2 bil	→
International Water Systems (Mature Regions*)	\$2.0 bil	→
International Water Systems (Developing Regions**)	\$2.4 bil	↑

* 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

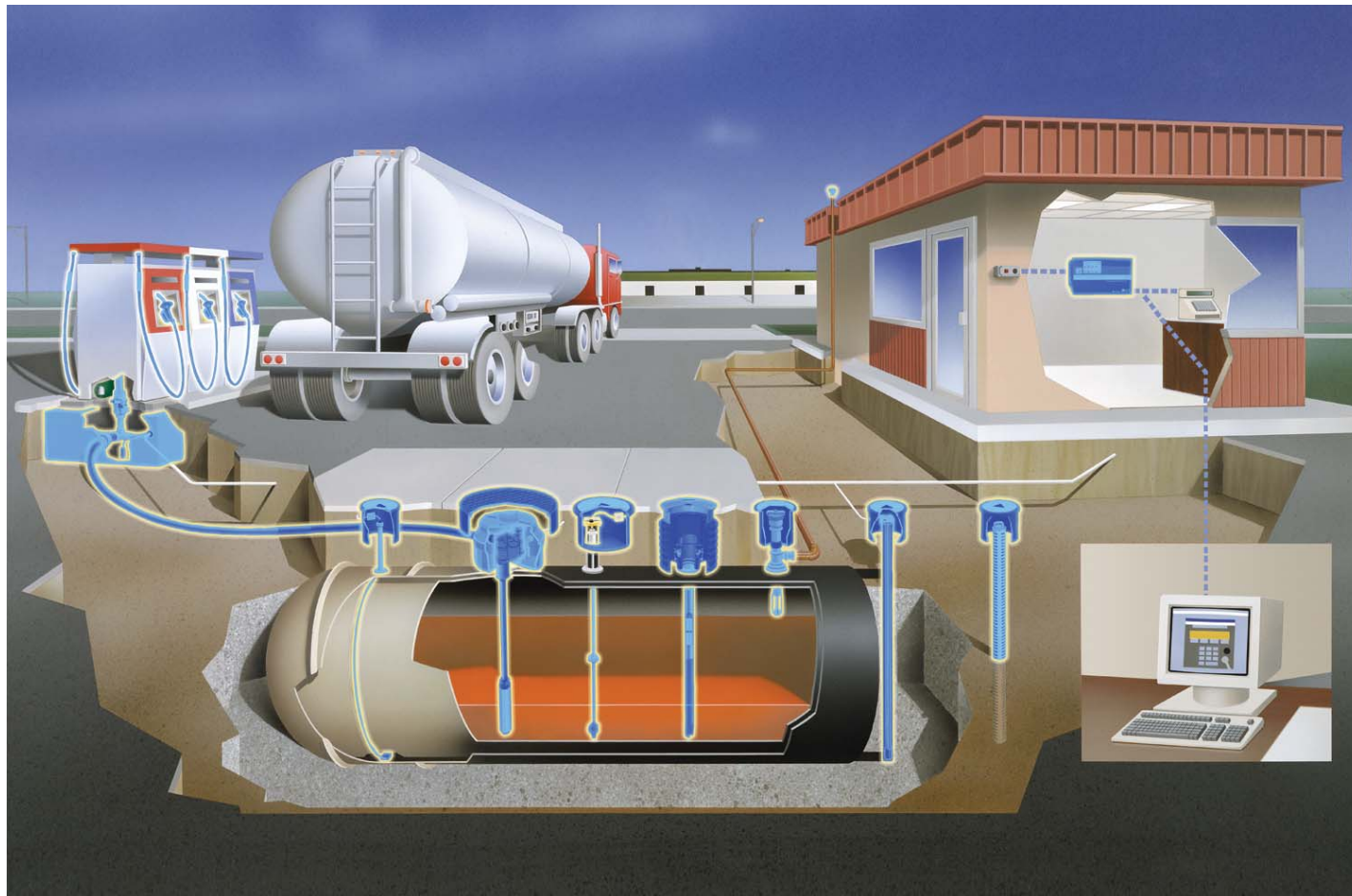
Global Water Systems Manufacturing Facilities



	<u>2003</u>	<u>2008</u>
% Water Systems Manufacturing Headcount in Low Cost Regions	10%	50-55%

Franklin Fueling Systems

24% of Total Franklin Sales



Franklin Fueling Systems

YTD Financial Summary

	<u>9 mos YTD</u>	
Sales	\$145 mil	+ 54%
Operating Income	\$39.2 mil	+ 148%

Franklin Fueling Systems

Key Growth Driver:

Franklin Fuel Management Systems (Modules)

Environmental Issues:



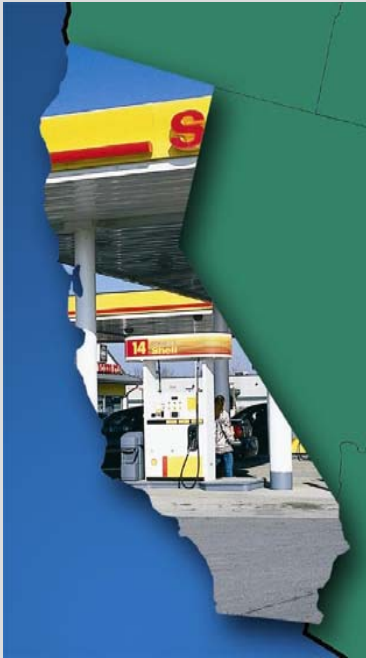
- Vapor Control and Monitoring



- 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
- 40% of Conversion Complete – Franklin Share 80%
- International Vapor Control Mandates

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



Franklin Electric