



Franklin Electric

Rotary Club of Indianapolis

October 2008

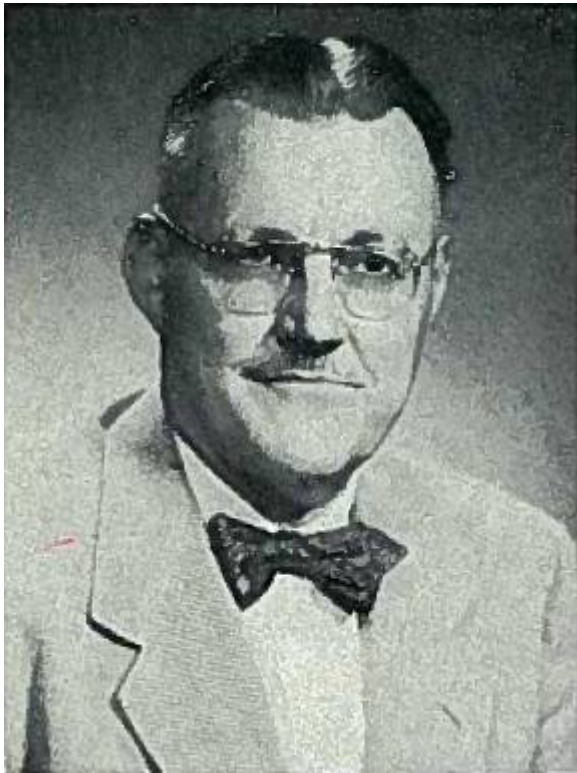


Franklin Electric





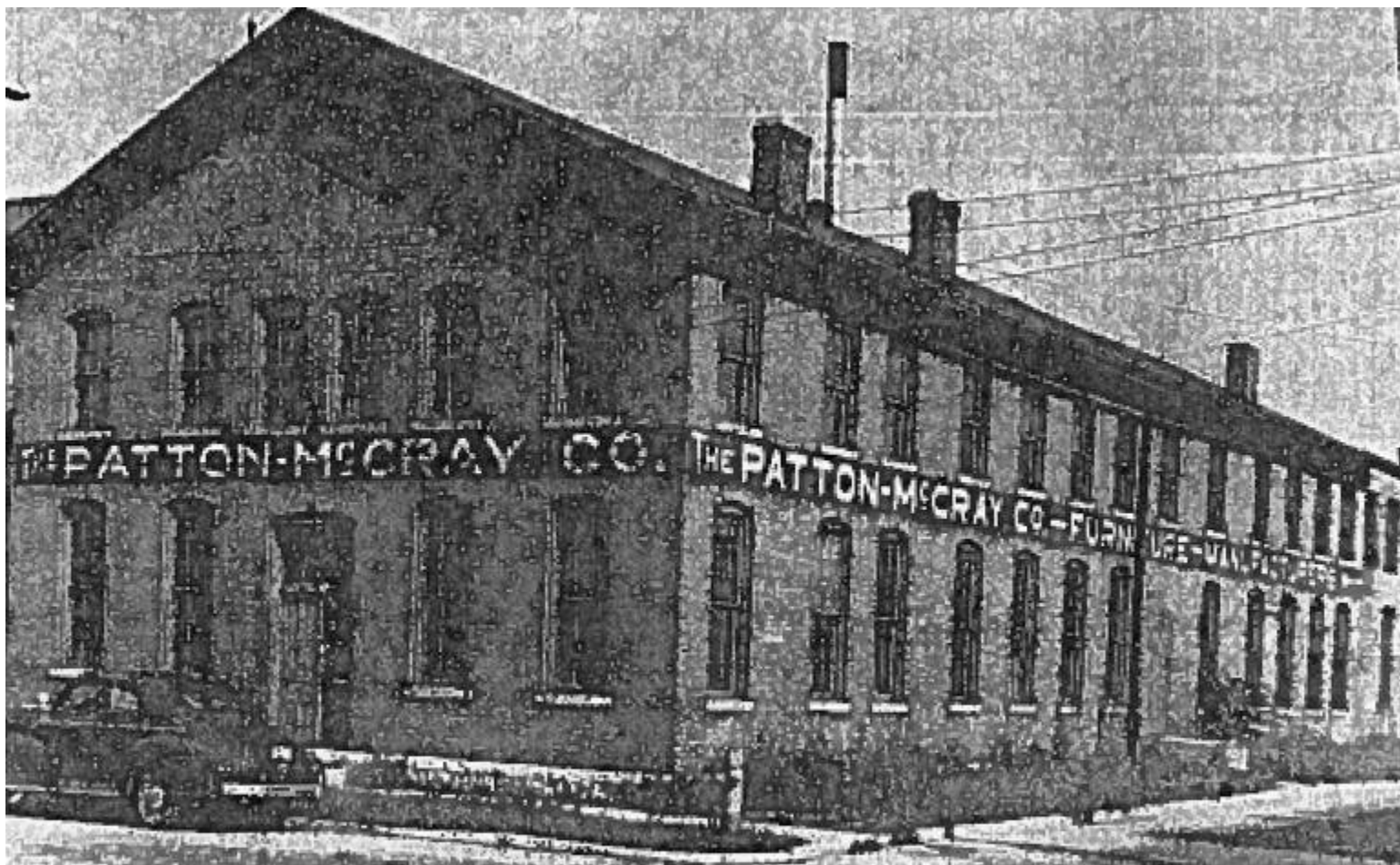
Franklin Electric





Franklin Electric







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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



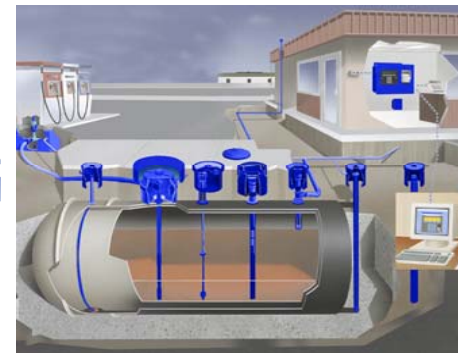
Franklin
Submersible Motor
1960s



FE Petro
Turbine Pump
1980s



FE Petro Turbine
and Drive
1990s



Adjacent Products
2000s

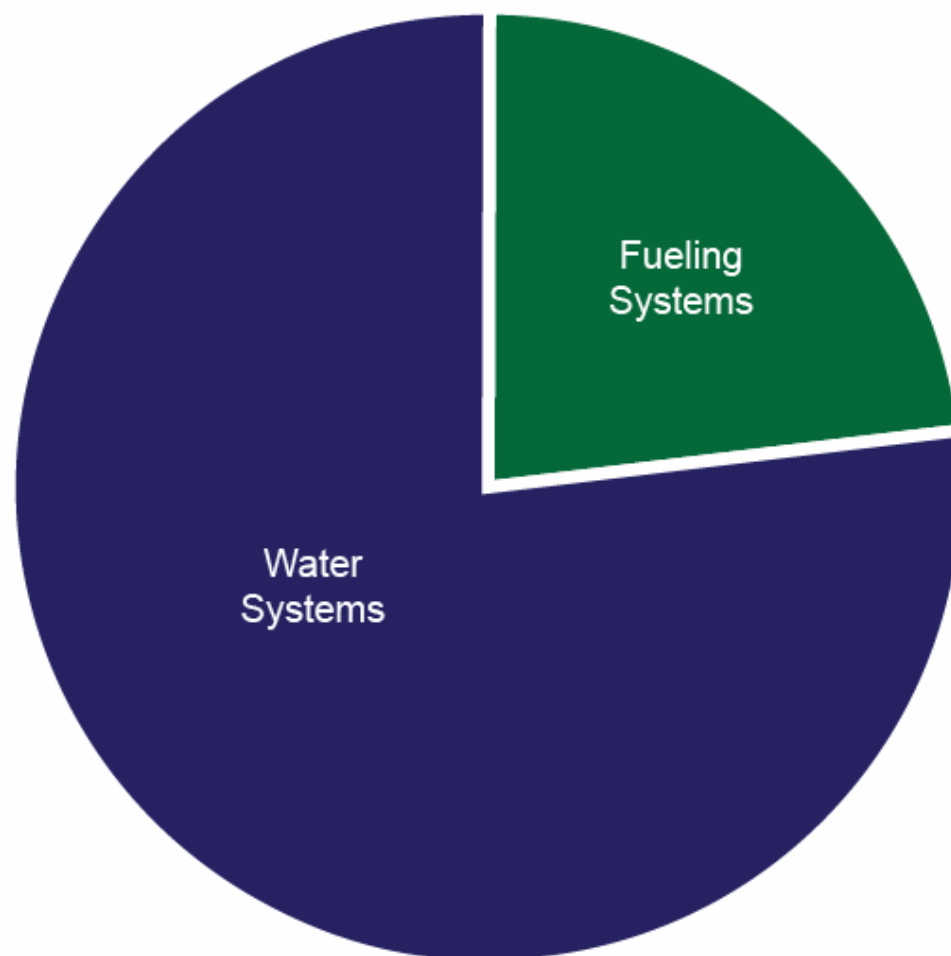


Global
Sales
Opportunity



Product/Market Sales Mix

2008 Annualized Sales \pm \$780 mil





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Water Systems

Product Categories



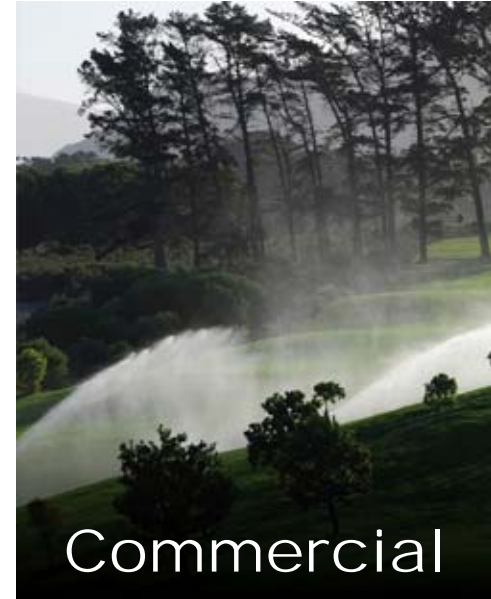
Residential

- 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

9 mos YTD

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%

* Source – Franklin Management Estimates

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

YTD 2008 Sales Growth

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	↑

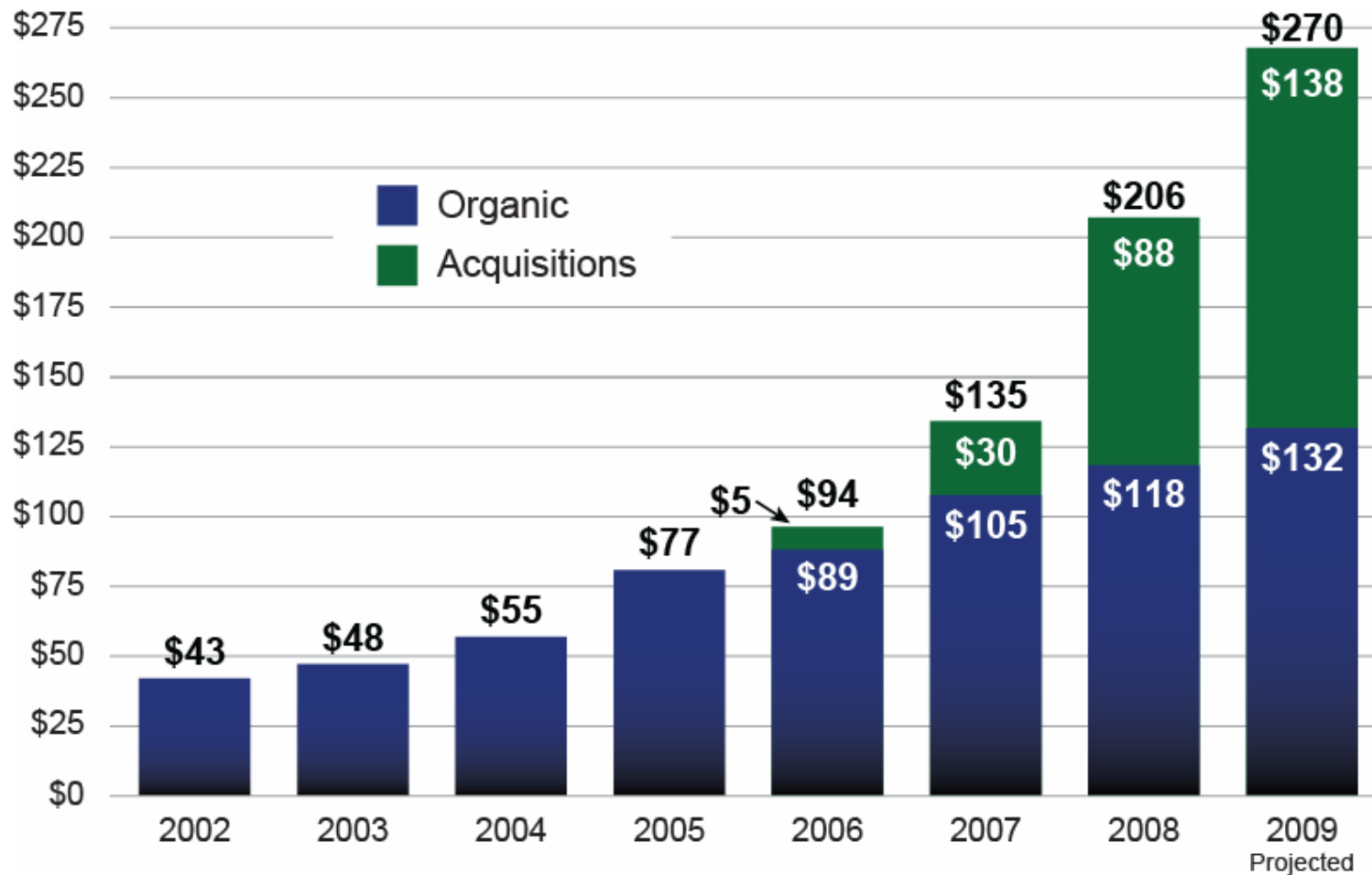
* Mature Markets – Western Europe, Australia/NZ, Japan

** 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



% Water Systems Manufacturing Headcount in Low Cost Regions

2003

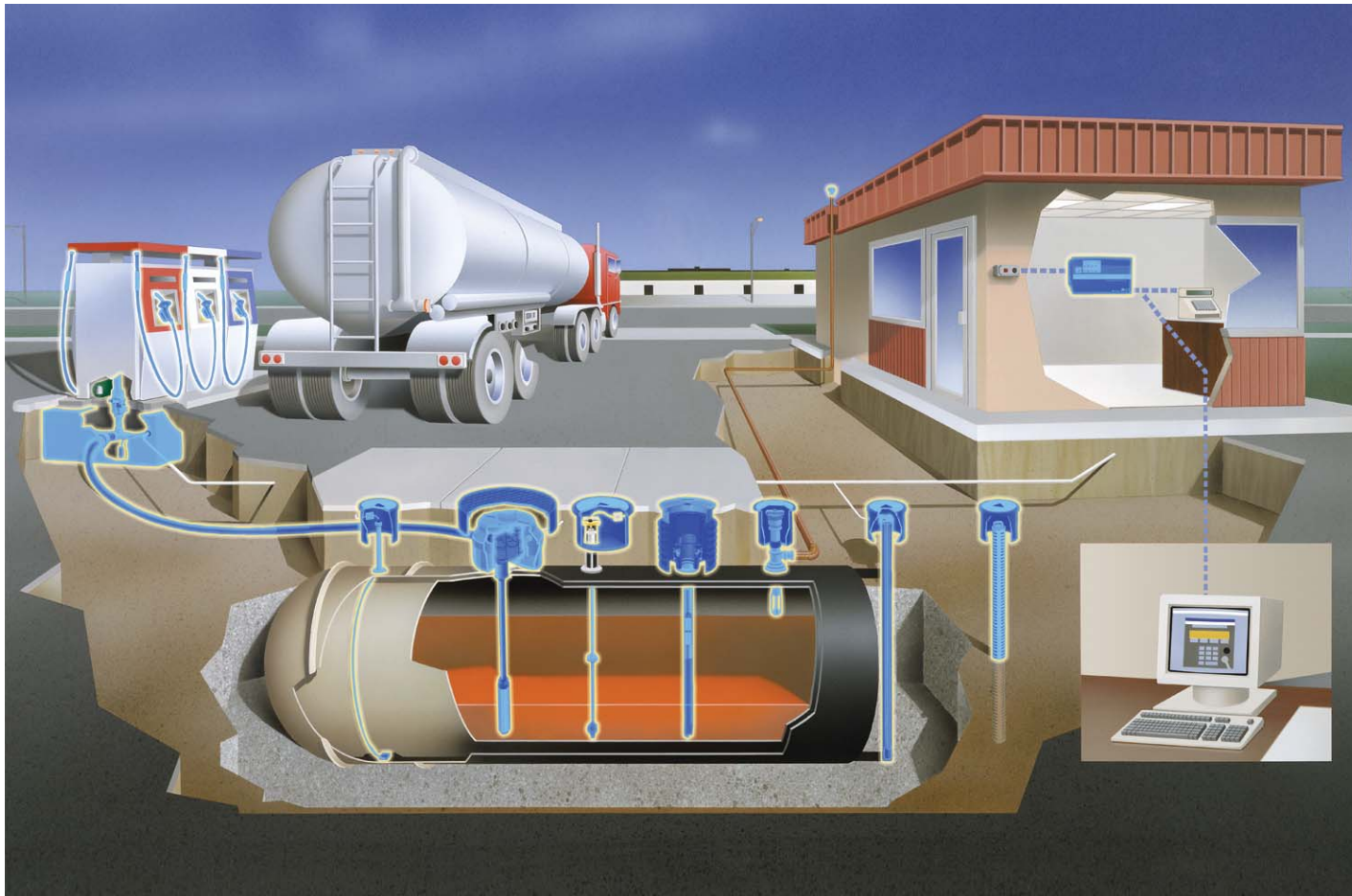
10%

2008

50-55%

Franklin Fueling Systems

24% of Total Franklin Sales





Franklin Fueling Systems

YTD Financial Summary

9 mos YTD

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



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