



Franklin Electric

KeyBanc Conference Presentation

June 2, 2010



Agenda

- Company Overview & Financial Summary
- Growth Strategies

Market Focus

**Residential, Agricultural &
Commercial Water Systems**
\$5.1 B global market potential



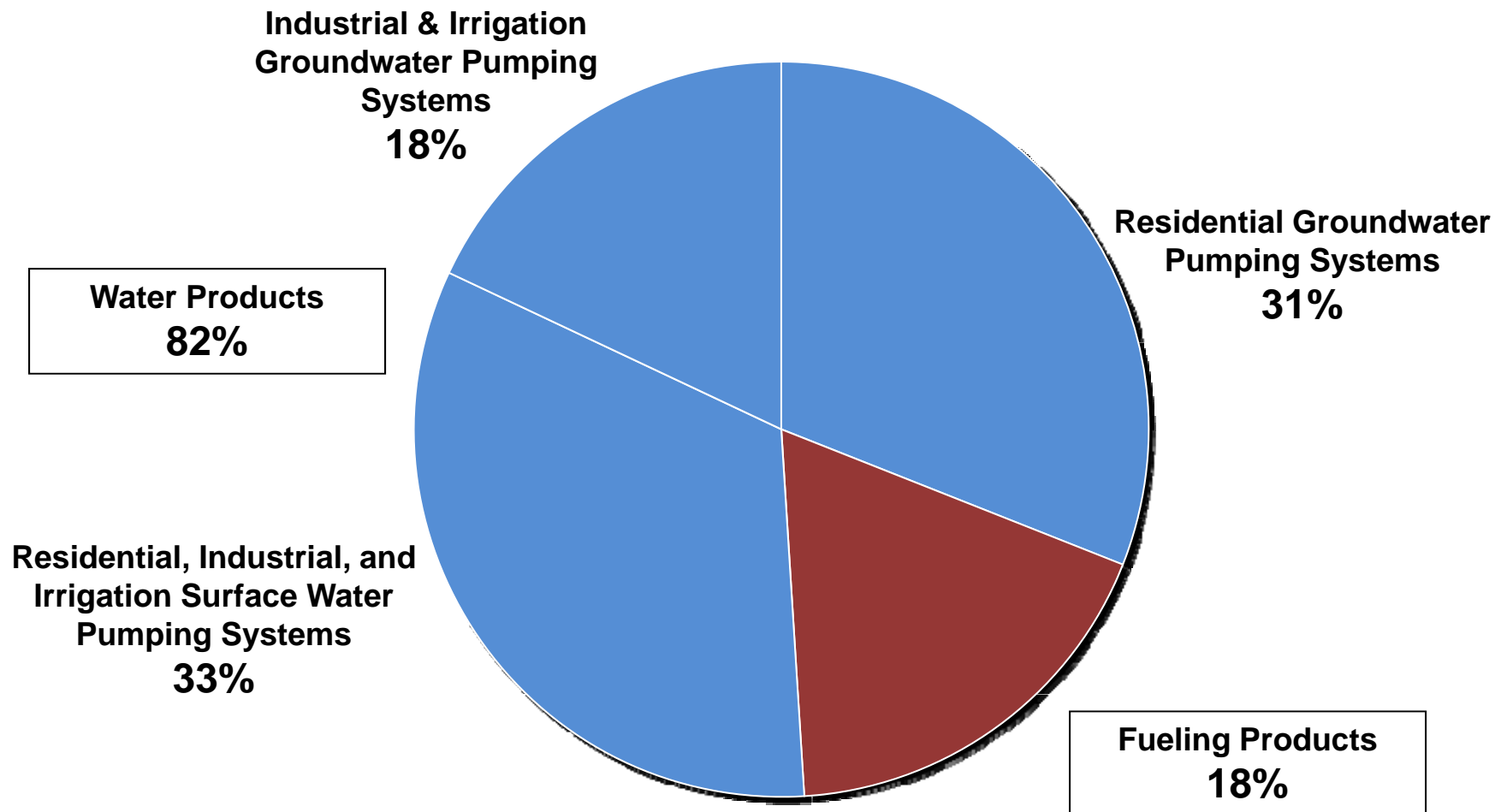
- Brand equity
- Leading market position
- Global growth potential
- Fragmented customer base
- Fragmented competitor base

Fueling Equipment
\$1.0 B global market potential



Global Product Portfolio

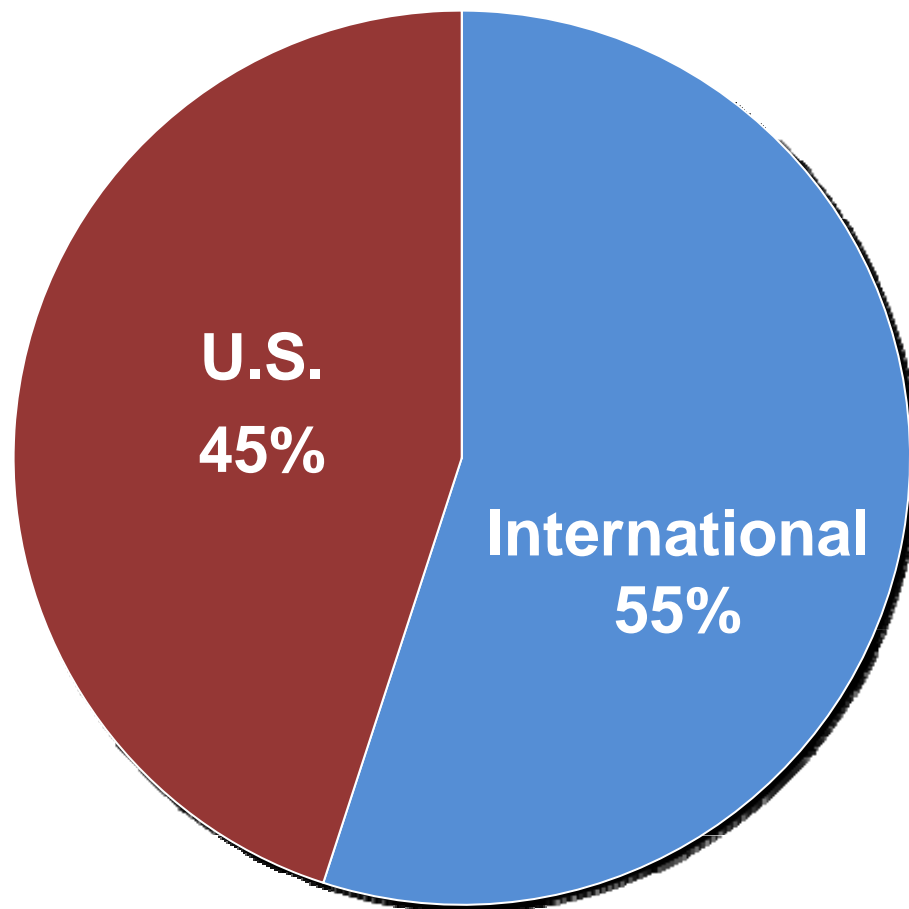
% of \$636M Sales, LTM 3-31-10





Geographic Sales Mix

% of \$636M Sales, LTM 3-31-10





Global Market Leadership

Major Product Categories

Water Systems

Franklin Market Share Rank

Groundwater Pumping

1 (Global)

Residential Wastewater Pumping

2 (North & South America)

Fueling Systems

Fuel Pumping & Containment Systems

1 (Global)

Fuel & Vapor Management Systems

2 (Global)

Global Manufacturing Footprint

3,500 employees

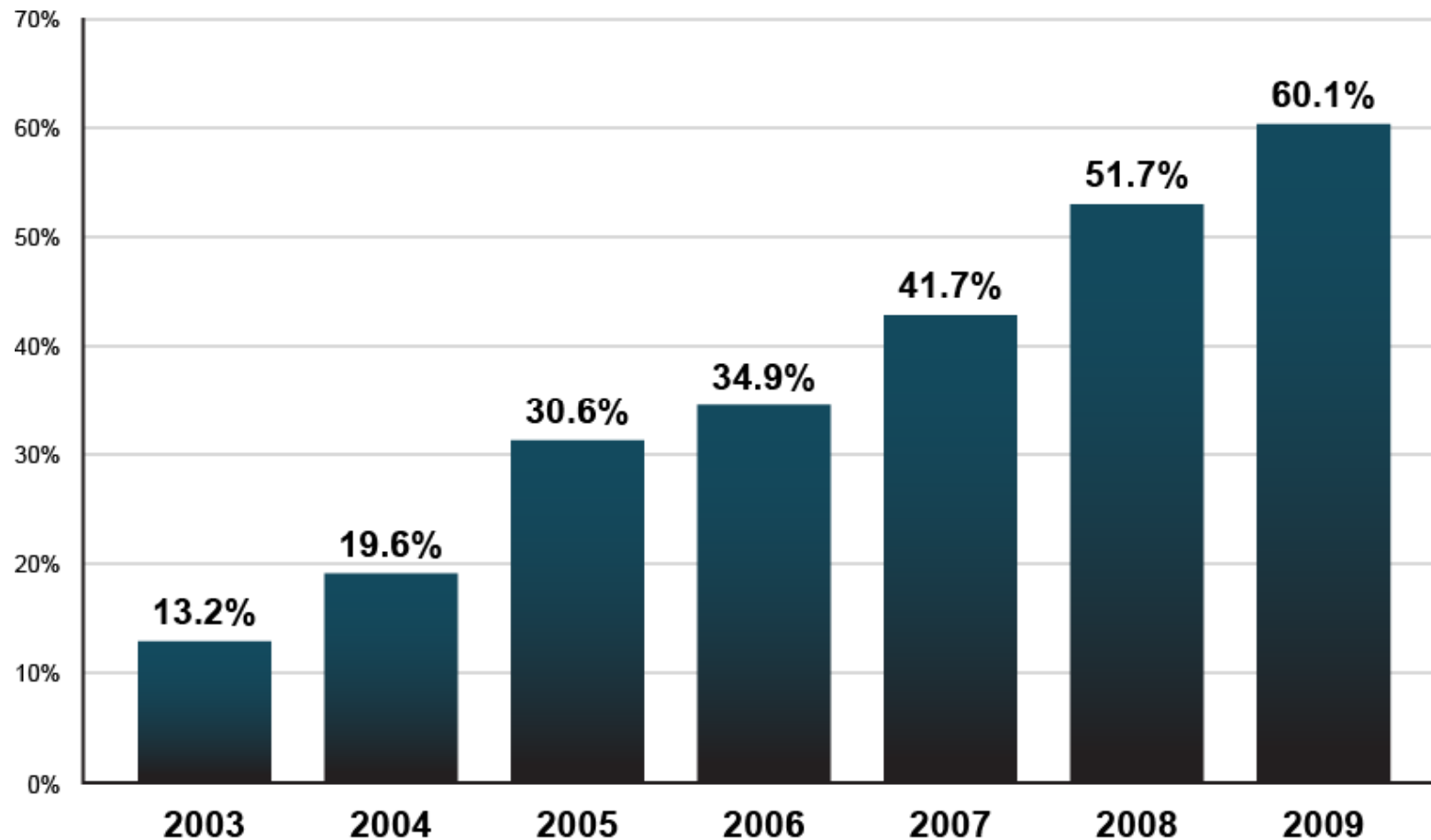


★ Headquarters

● Manufacturing Facilities



Manufacturing Headcount In Low Cost Regions



Linares, Mexico Plant Complex



“Best Manufacturing Plant in Mexico”

- Business Directives Initiative
Platinum Era Quality Award

“Best Manufacturing Plant in Mexico”

- Best Places to Work Institute

“Finalist”

- Industry Week Magazine Best
Plants in North America

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Sales & Earnings Trend

	<u>Last 12 months 3-31-2010</u>	<u>% Change Prior year</u>	<u>Last 6 months 3-31-2010</u>	<u>% Change Prior year</u>	<u>Last 3 months 3-31-2010</u>	<u>% Change Prior year</u>
Net Sales	\$636 mm	(12%)	\$305 mm	1%	\$160 mm	7%
Operating Income *	\$60 mm	(17%)	\$29 mm	58%	\$15 mm	67%
EPS *	\$1.47	(18%)	\$0.71	78%	\$0.37	95%

Sales & Operating Earnings Trend

By Segment

	<u>Last 12 months 3-31-2010</u>	<u>% Change Prior year</u>	<u>Last 6 months 3-31-2010</u>	<u>% Change Prior year</u>	<u>Last 3 months 3-31-2010</u>	<u>% Change Prior year</u>
WATER						
Net Sales	\$523 mm	(2%)	\$252 mm	13%	\$134 mm	17%
Operating Income *	\$76 mm	16%	\$36 mm	76%	\$19 mm	82%
FUELING						
Net Sales	\$113 mm	(39%)	\$53 mm	(33%)	\$26 mm	(25%)
Operating Income *	\$18 mm	(62%)	\$9 mm	(46%)	\$4 mm	(39%)



Outlook

2nd QTR 2010 versus 2nd QTR 2009

- **Water:**
 - **Sales up ~10% and operating income margin before restructuring up ~100 – 200 bps**
- **Fueling:**
 - **Sales flat and operating income margin before restructuring up ~50 – 100 bps**



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Strong cash generation & balance sheet

	Last 12 months <u>3-31-2010</u>	% Change <u>Prior year</u>
Cash flow from operations	\$101 mm	47%
Free cash flow	\$90 mm	94%
	<u>At 3-31-2010</u>	<u>At 3-31-2009</u>
Net debt to equity	21%	47%

Growth Strategy

Product Line Extensions & Geographic Expansion

Water Systems



Franklin
Submersible Motor
1950s



Motors, Controls
and Drives
1990s



Motors, Pumps, Drives
and Controls
2004



Adjacent Pumping
Systems
2006



**\$5.1 B Global
Addressable
Market**

Fueling Systems



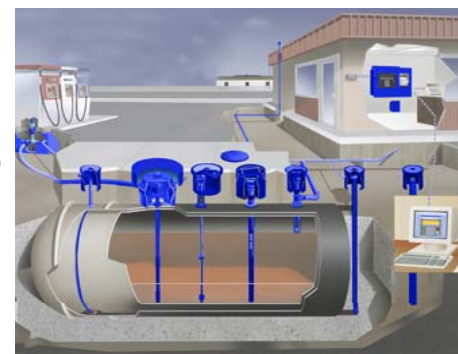
Franklin
Submersible Motor
1960s



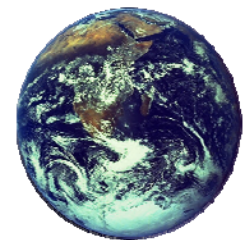
FE Petro
Turbine Pump
1980s



FE Petro Turbine
and Drive
1990s



Adjacent Products
2000s

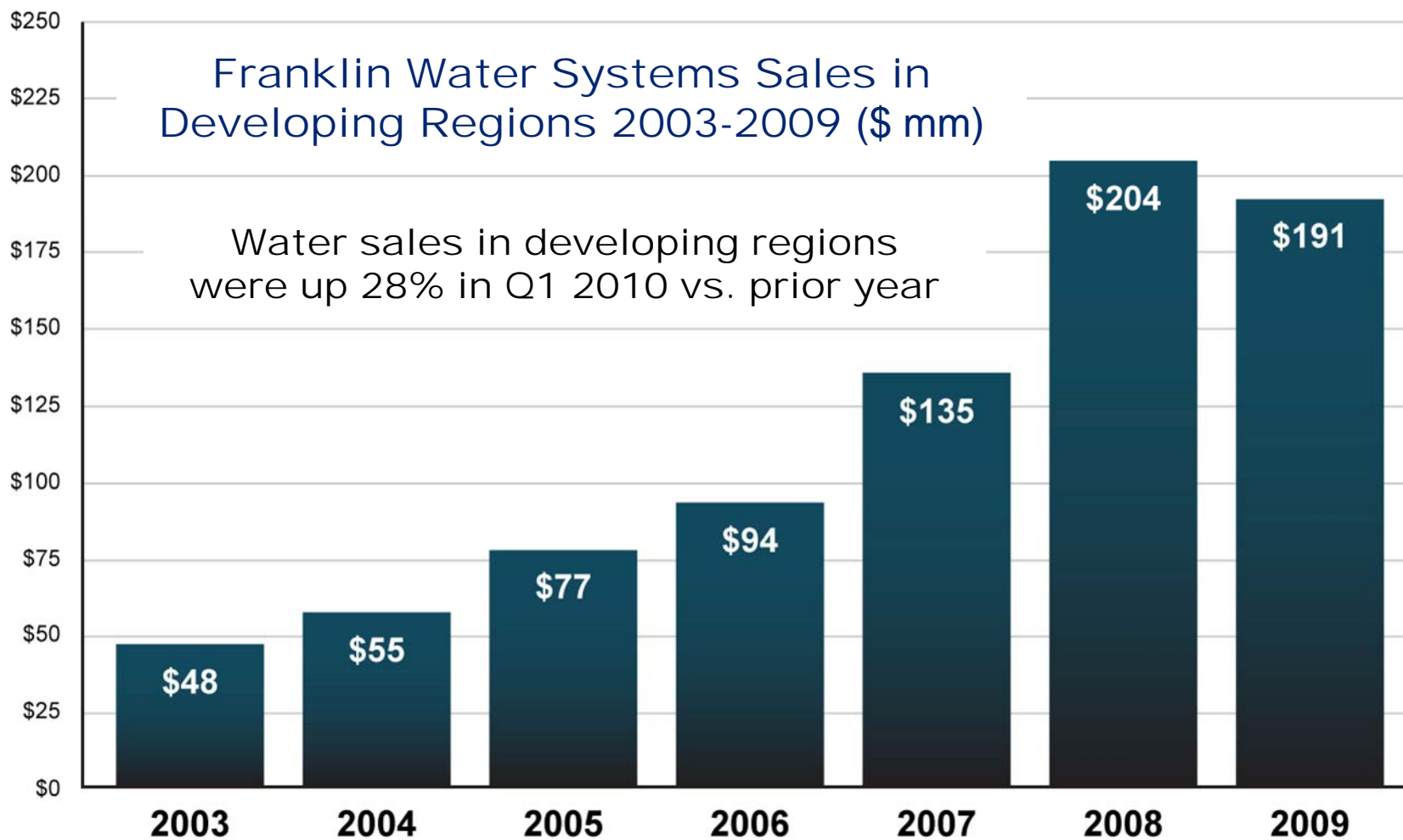


**\$1.0 B Global
Addressable
Market**



Growth strategies

WATER: Developing markets



Growth strategies

WATER & FUELING: Increasing revenue per installation

- Increase demand for pumping systems that incorporate advanced technologies

Water Systems



4" Motor
~\$100



4" Pump Motor Assembly
~\$250



4" QuickPAK
~\$600

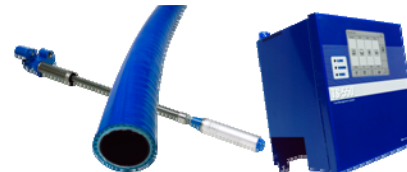
Fueling Systems



Motor & Pump
~\$3,000 *



Motor, Pump
& Piping
~\$23,000



Motor, Pump,
Piping & Tank Gauge
~\$35,000



Motor, Pump,
Piping, Tank Gauge, Dispensing
& Vapor Monitoring
~\$61,000

* FELE revenue for a representative gas station



SubDrive2W – Electronic Drive Low-cost constant pressure solution





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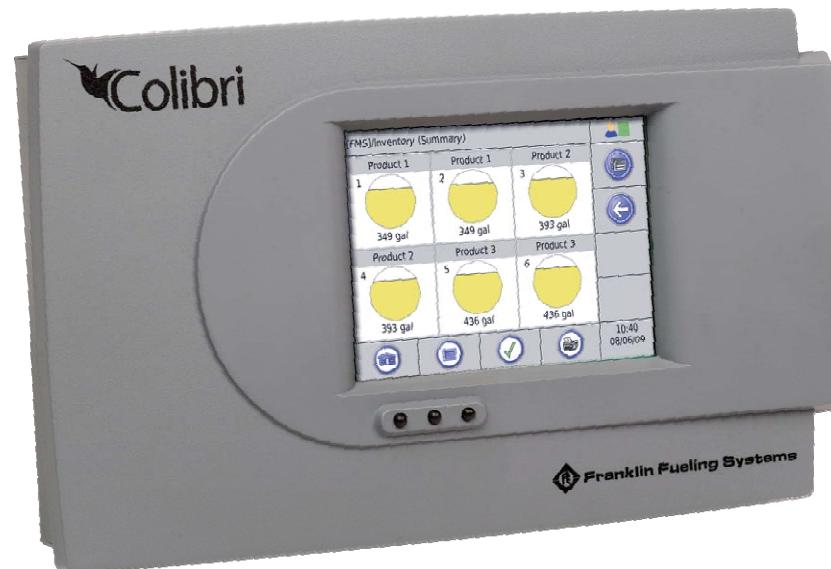
SubDrive Inline 1100 –
Compact, quiet constant pressure system
for homeowners on municipal water systems





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Colibri - Fuel Tank Monitoring System





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