



Annual Shareowners Meeting

May 6, 2011



Franklin Electric

FRANKLIN ELECTRIC

Financial Performance Summary - 2010

	<u>2010</u>	<u>% +(-)</u> <u>Prior Year</u>	
Sales	\$713.8 M	+ 14%	(+ 12% organic)
Operating Income ¹	\$73.7 M	+ 36%	
EPS ¹	\$1.94	+ 50%	
LTM Return on Invested Capital ²	16.6%	+ 510 BPS	
Net Debt	\$12.4 M	- 81%	
Dividend Payments/Share	\$0.515	+ 3%	

¹ Before restructuring charge and legal settlement

² Operating income before restructuring, legal settlement / (equity + net debt)





FRANKLIN ELECTRIC

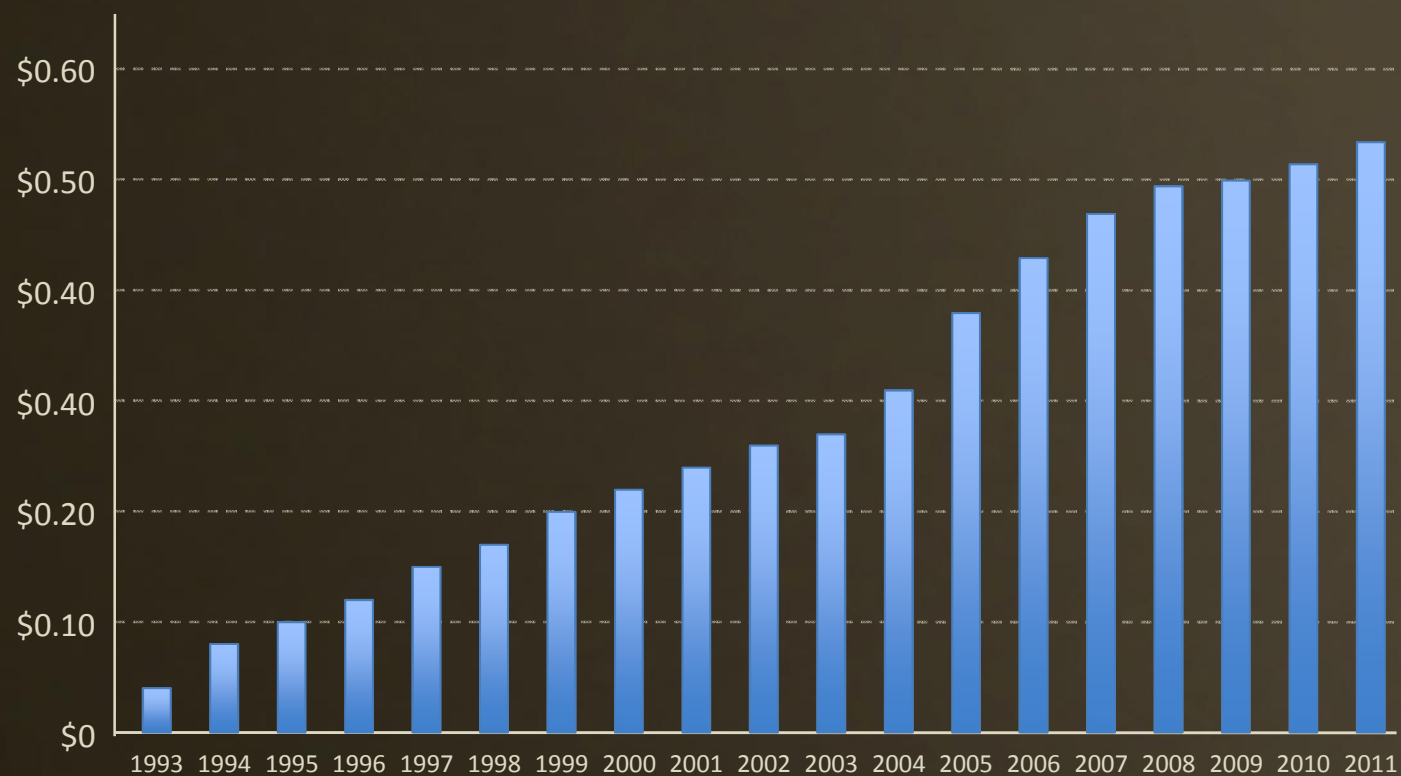
Financial Performance Summary

	<u>1st Qtr 2011</u>	<u>% +(-) Prior Year</u>
Sales	\$185 M	+ 16%
Operating Income ¹	\$17 M	+ 25%
EPS ¹	\$0.46	+ 35%

¹ After non-GAAP adjustments including restructuring and legal settlement charges, and gains on foreign currency forward purchase contract and sale of land and building

FRANKLIN ELECTRIC WATER SYSTEMS
Financial Performance Summary

Dividend History





FRANKLIN ELECTRIC

Strategic Objective

To be the world's leading supplier to two global distribution channels:

- Groundwater and adjacent pumping systems
- Fueling systems

Addressable
Market:

\$5.2 B

\$1.0 B

2010 Sales:

\$583 M

\$131 M

FRANKLIN ELECTRIC

Global Market Leadership

Major Product Categories

Franklin
Market Share Rank

Water Systems

Groundwater Pumping

#1
(Global)

Residential Wastewater Pumping

#2
(North & South America)

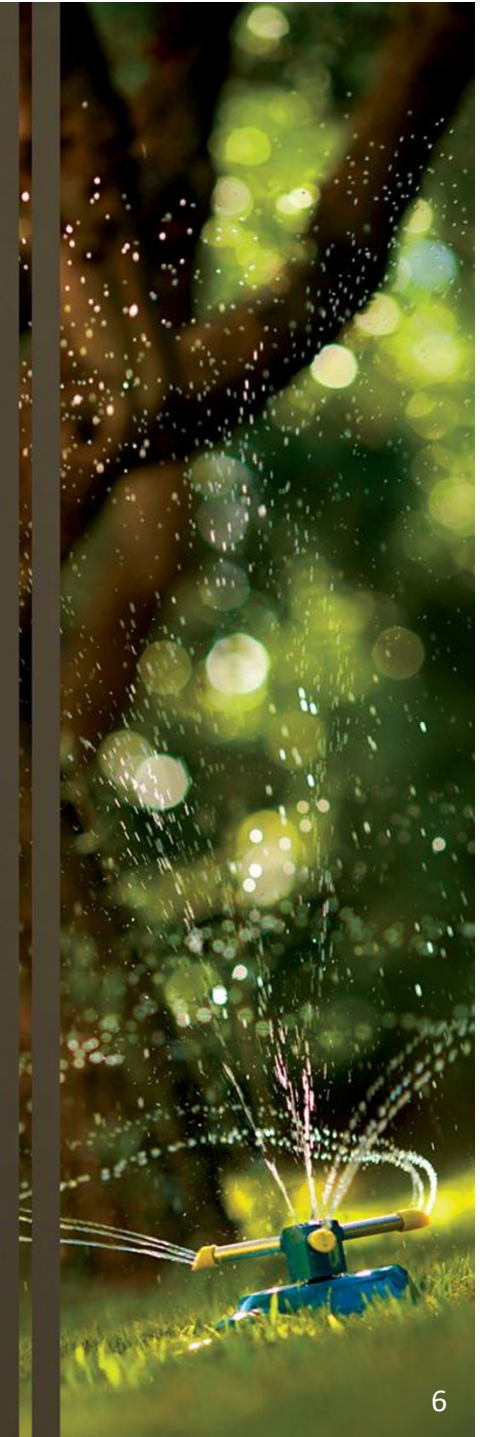
Fueling Systems

Fuel Transfer Systems
(Pumping & Containment)

#1
(Global)

Fuel & Vapor Management Systems

#2
(Global)



FRANKLIN ELECTRIC WATER SYSTEMS

Water Systems Growth

Product Line Extensions and Geographic Expansion



Franklin Submersible Motor
1950s



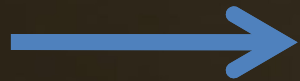
Motors, Controls and Drives
1990s



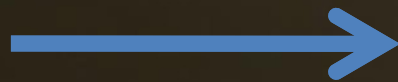
Motors, Pumps, Drives and Controls
2004



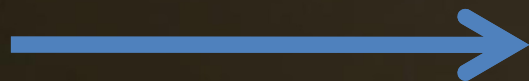
Adjacent Pumping Systems
2006



Developing Regions



Pump share growth in US/Canada

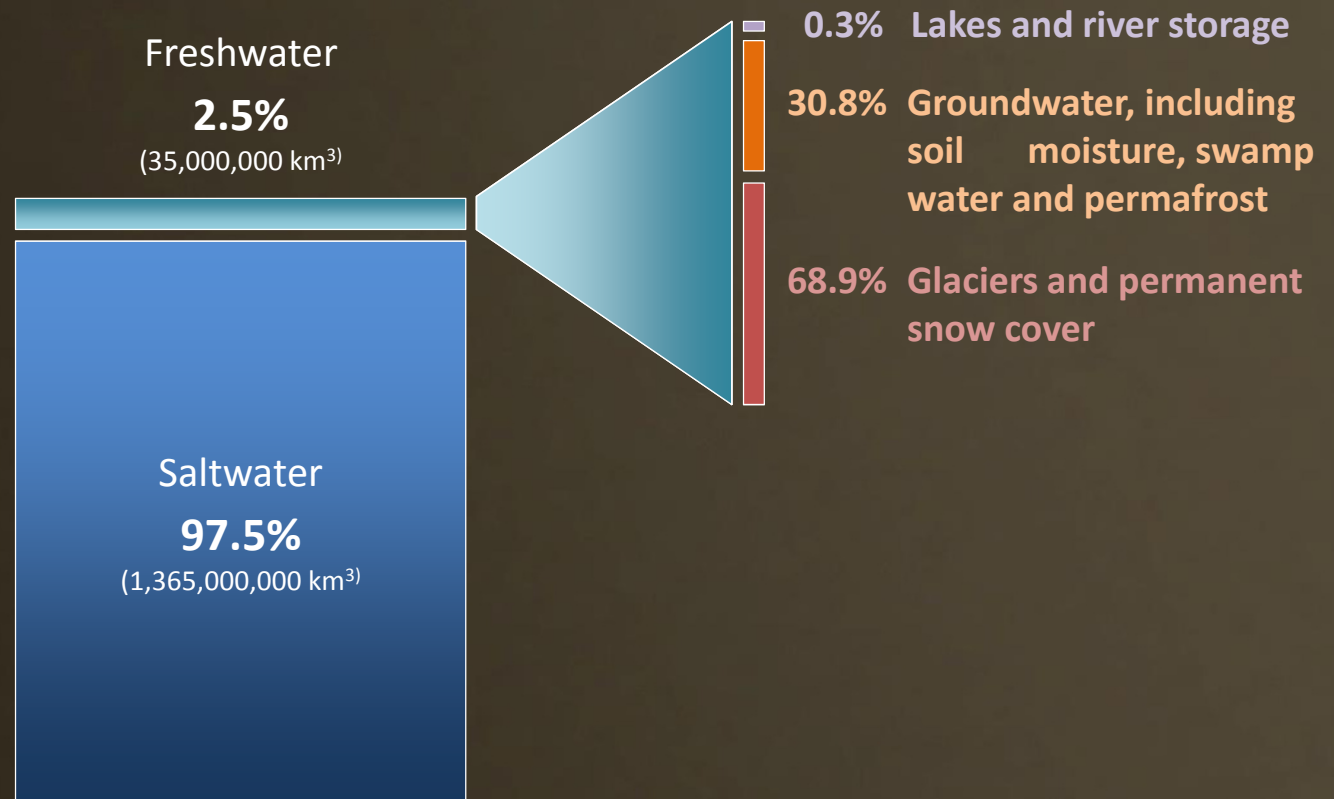


Packaged systems





FRANKLIN ELECTRIC WATER SYSTEMS
Growth in Developing Regions
Global Water Supply



Source: Igor A. Shiklomanov, State Hydrological Institute (SHI, St. Petersburg) and United Nations Educational, Scientific and Cultural Organization (UNESCO, Paris), 1999.

FRANKLIN ELECTRIC WATER SYSTEMS

Growth in Developing Regions

Water Withdrawals by Region¹

	<u>km³/year</u>	
US/Canada	700	
Western Europe	400	
Latin America	350	} 74% in Developing Regions
Eastern Europe ²	200	
Mideast/Africa	400	
Asia Pacific	<u>2,100</u>	
Total	4,150	

¹ Source UNESCO and management estimates

² Russia, Ukraine, Belarus



FRANKLIN ELECTRIC WATER SYSTEMS

Growth in Developing Regions

Water Withdrawals by Region¹

	<u>km³/year</u>	<u>Growth Trend</u>	<u>% Withdrawals for Agriculture Use</u>
US/Canada	700	Flat	40%
Western Europe	400	Flat	20%
Latin America	350	Growing	90%
Eastern Europe ²	200	Growing	70%
Mideast/Africa	400	Growing	80%
Asia Pacific	<u>2,100</u>	Growing	90%
Total	4,150		

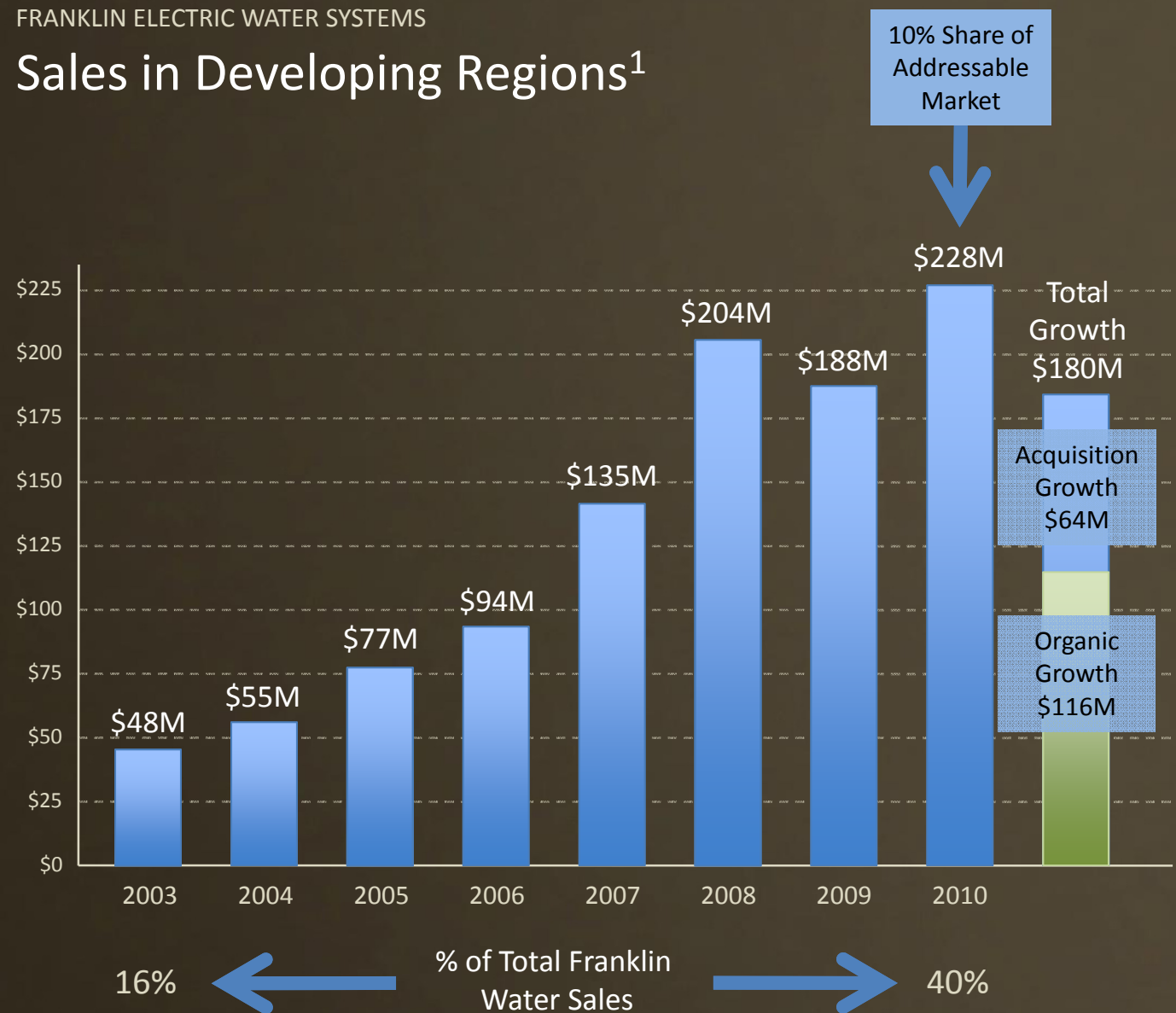
¹ Source UNESCO and management estimates

² Russia, Ukraine, Belarus



FRANKLIN ELECTRIC WATER SYSTEMS

Sales in Developing Regions¹



¹ Latin America, Asia/Pacific, Mideast, Africa, Eastern Europe

FRANKLIN ELECTRIC WATER SYSTEMS

Sales in Developing Regions

IMPO Acquisition

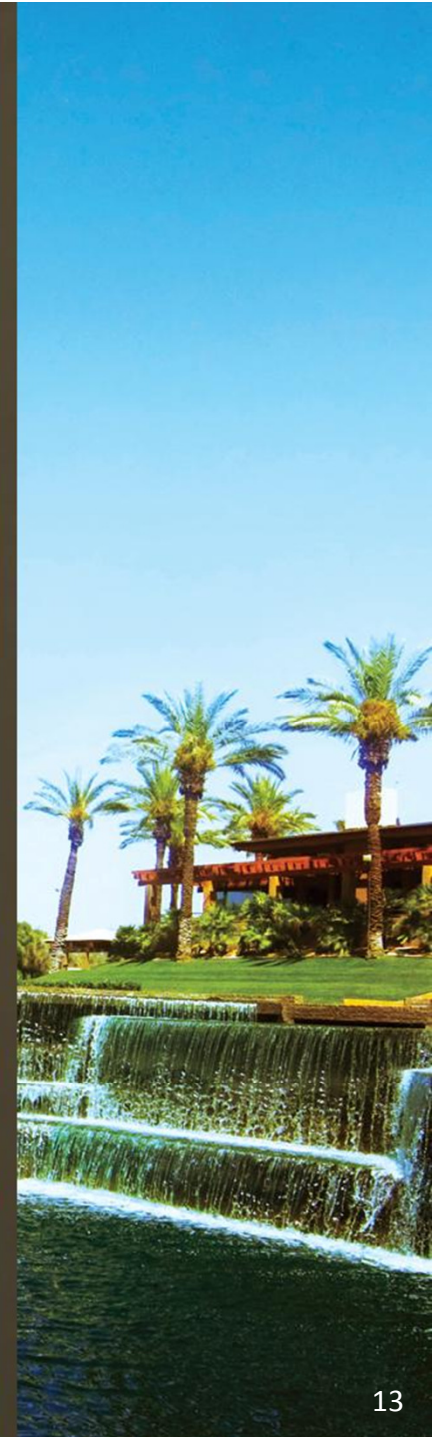
- \$28 M Sales
- Leader in Groundwater Pumps and Motors in Turkey
- Distribution in Turkey and Throughout Mid-East
- World Class Manufacturing Capability
- Low Cost Manufacturing Base on Door Step of Europe



FRANKLIN ELECTRIC WATER SYSTEMS
Sales in Developing Regions

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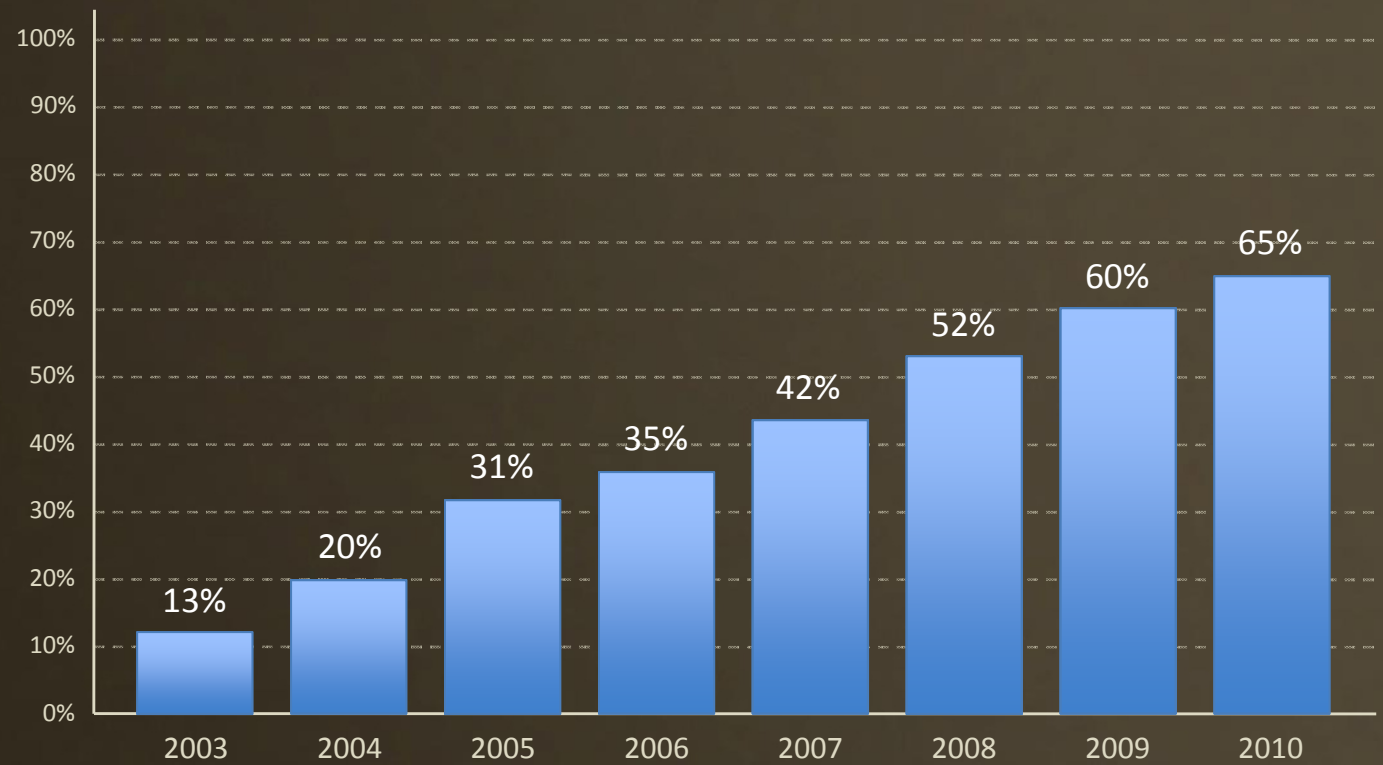




FRANKLIN ELECTRIC WATER SYSTEMS

Manufacturing in Low Cost Regions

% of Total Water Systems Manufacturing Man-hours



FRANKLIN ELECTRIC WATER SYSTEMS

New Manufacturing Facilities in Low Cost Regions

Linares, Mexico



300,000 sq. ft.

Brno, Czech Republic



80,000 sq. ft.

Suzhou, China



60,000 sq. ft.

Joinville, Brazil



110,000 sq. ft.



FRANKLIN ELECTRIC WATER SYSTEMS

Manufacturing in Low Cost Regions



“Best Manufacturing Plant in Mexico”

- Business Directive Initiatives Platinum Quality Award

“Best Manufacturing Plant in Mexico”

- Best Places to Work Institute

“Finalist”

- Industry Week Magazine Best Plants in North America





FRANKLIN ELECTRIC WATER SYSTEMS

Pump Share Growth in US/Canada

Objective:

Expand share of \$1.2 B addressable market in the US/Canada

Strategy:

Use strong motor customer relationships to expand pump sales

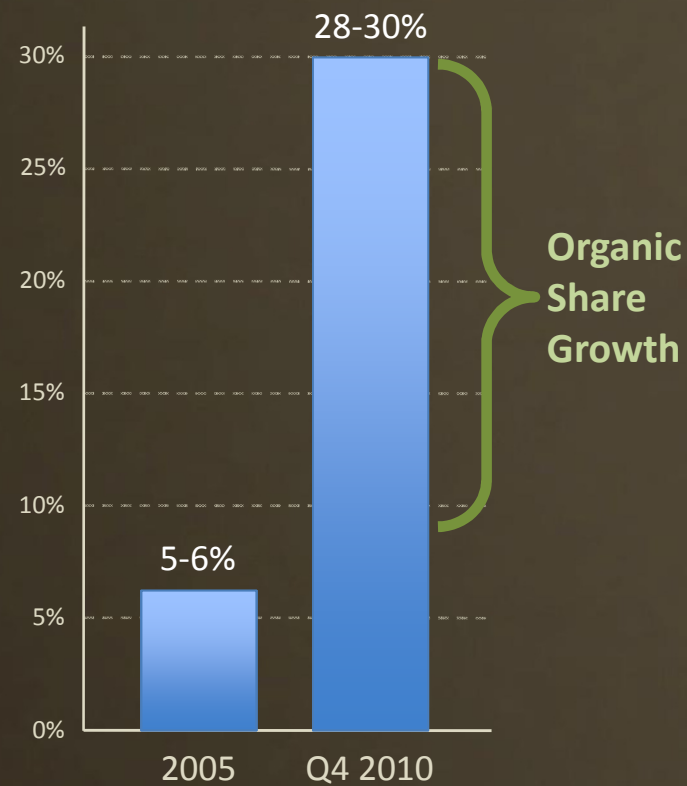
Focus on the needs of the installing contractor:

- Product reliability
- Training and technical support

FRANKLIN ELECTRIC WATER SYSTEMS

Pump Share Growth in US/Canada

% Franklin Share - Residential Groundwater Pumps¹
(4" Submersibles + Jets)
(Year of market entry to most recent quarter)



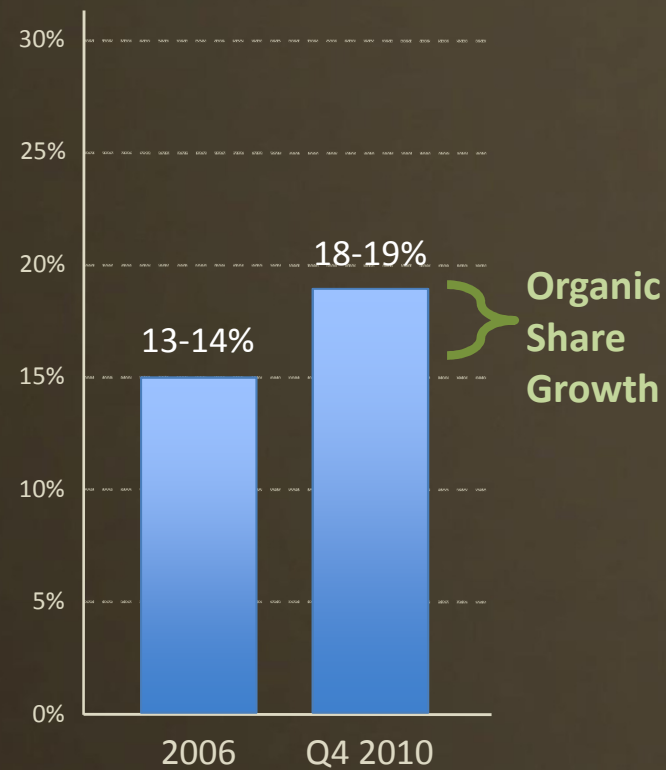
¹ Management estimates based on Trade Association data.



FRANKLIN ELECTRIC WATER SYSTEMS

Pump Share Growth in US/Canada

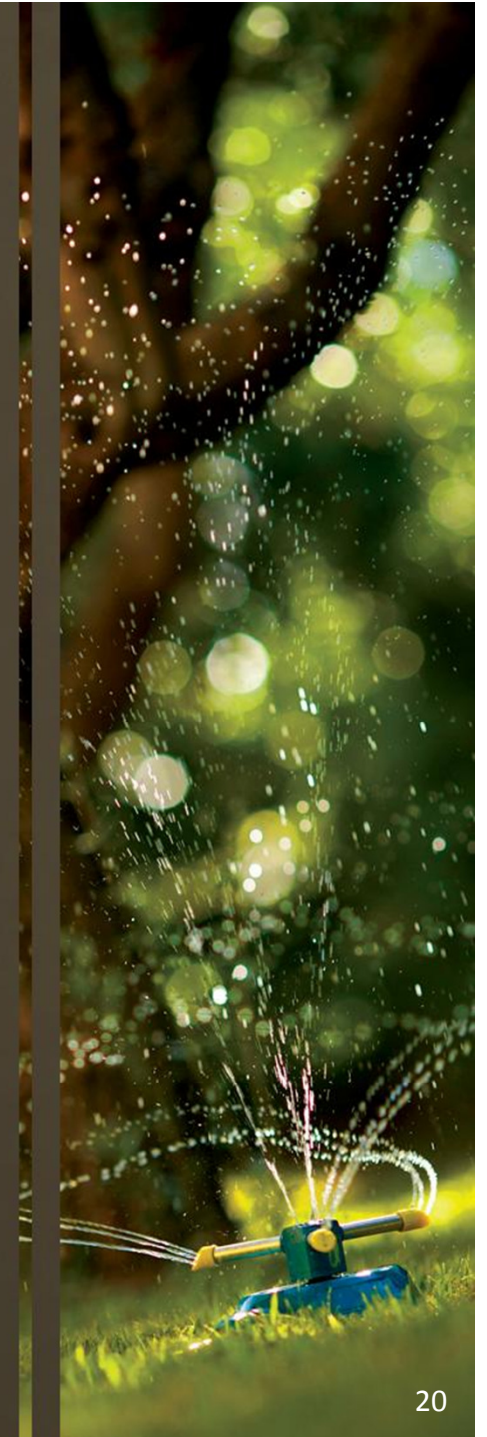
% Franklin Share - Residential Wastewater Pumps¹
(Sump, Sewage, Effluent, Utility ≤ 2 hp)
(Year of market entry to most recent quarter)



¹ Management estimates based on Trade Association data.

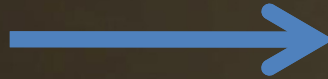
FRANKLIN ELECTRIC WATER SYSTEMS

Extend Product Lines to Include More Packaged Systems



Extend Product Lines to Include More Packaged Systems

Franklin Prepackaged
Motor, Pump,
Drive & Control



Installation

Contractor benefit:

- Simplified installation
- Performance guarantee

Franklin benefit:

- More revenue per installation



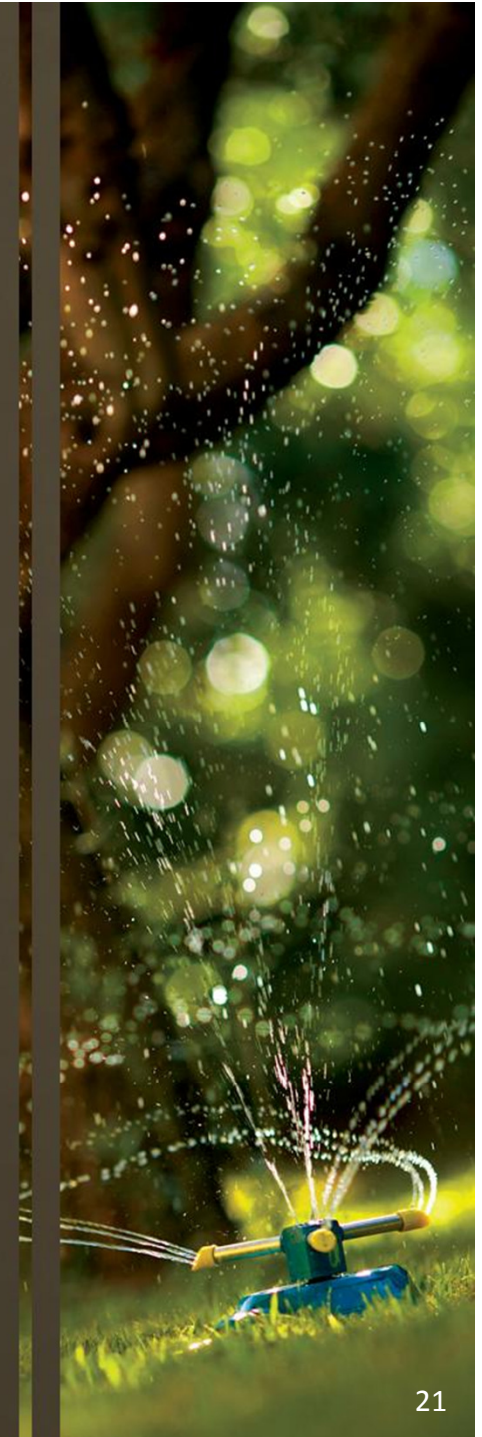
Motor only
\$100-200/unit



Motor & pump
\$200-300/unit



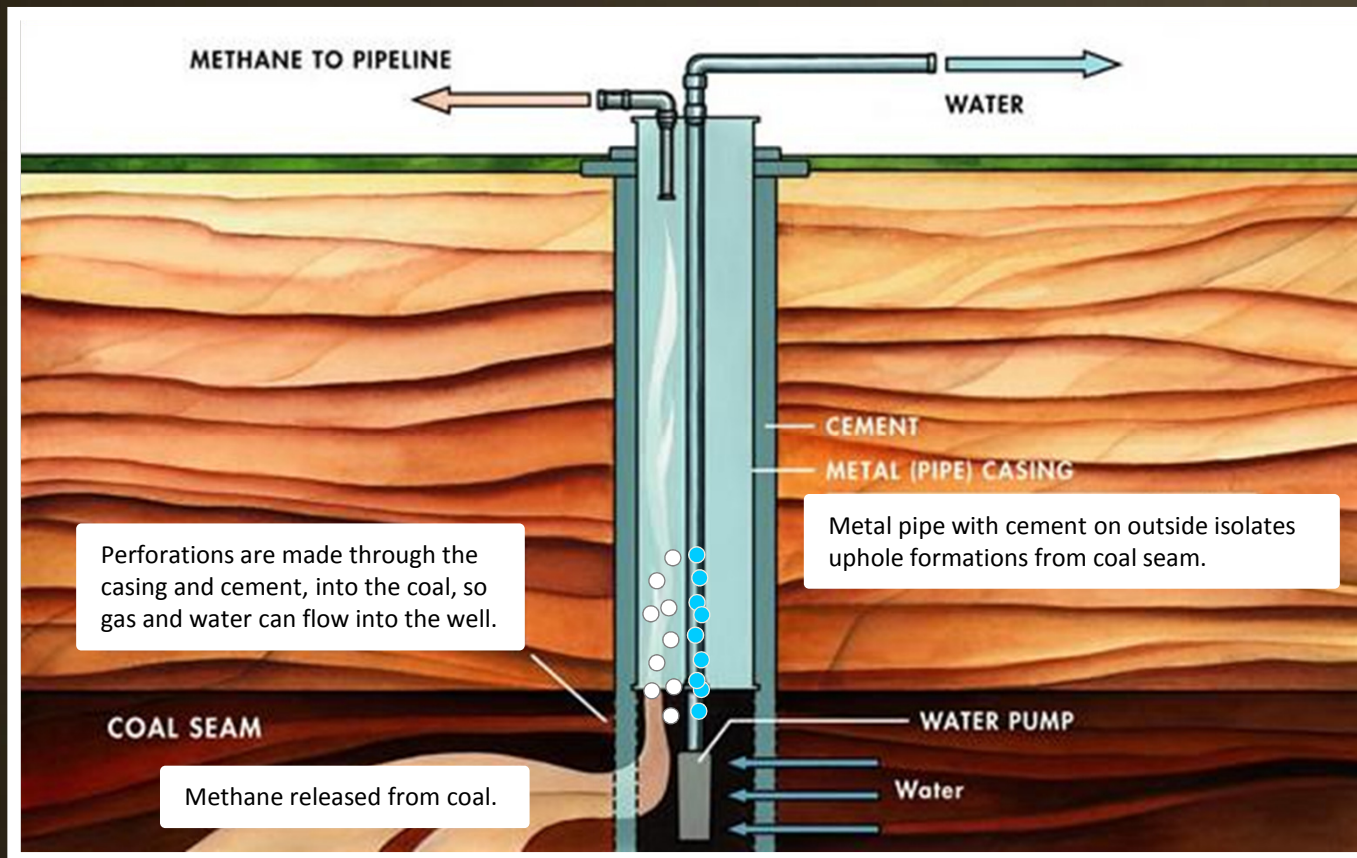
Motor, pump, electric drive,
ancillary equipment
\$500-800/unit



FRANKLIN ELECTRIC WATER SYSTEMS

Extend Product Lines to Include More Packaged Systems

Coal Seam Natural Gas:



FRANKLIN ELECTRIC WATER SYSTEMS

Extend Product Lines to Include More Packaged Systems

Coal Seam Natural Gas – Current Systems:

Nodding Donkey
(\$100,000 to \$150,000 per well)



Oil Field Pump System
(\$50,000 to \$70,000 per well)





FRANKLIN ELECTRIC WATER SYSTEMS

Extend Product Lines to Include More Packaged Systems

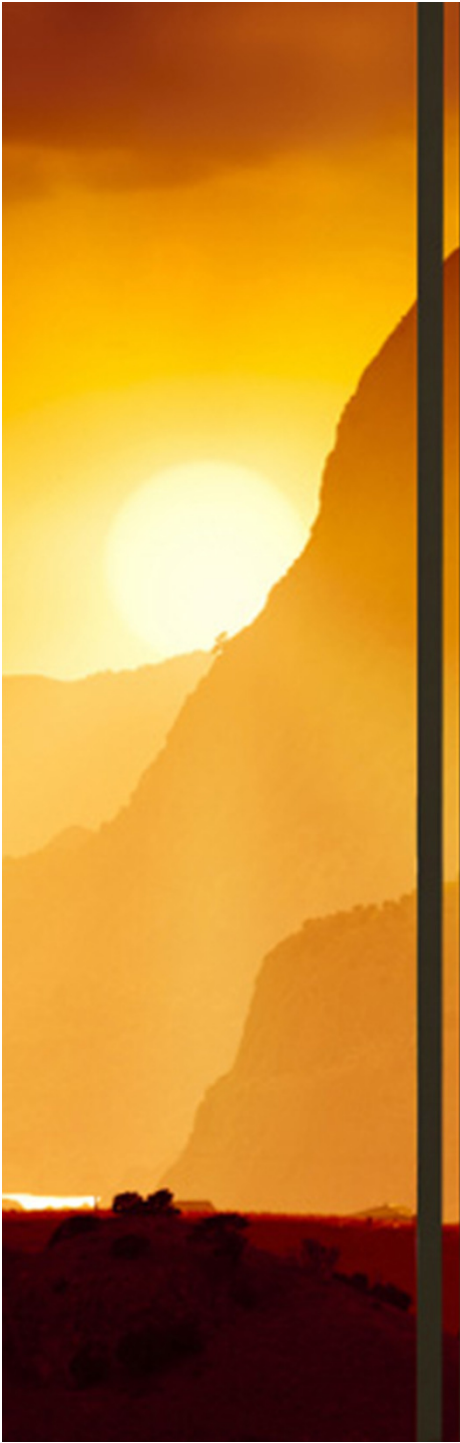
Coal Seam Natural Gas – Franklin System:

(up to 1000 meters depth)

Pump
Motor
Drive
Telemetry
Discharge head
Ancillary equipment



Significantly Lower
Cost than Oil Field
Pumping Systems



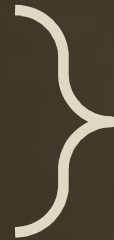
FRANKLIN ELECTRIC WATER SYSTEMS

Extend Product Lines to Include More Packaged Systems

Solar Groundwater Pumping Systems:

- Franklin system:

Pump
Motor
Inverter/Drive



Annual Market Potential:
≈ \$20-30 M per year

- Franklin value proposition:
 - Deliver maximum water per unit of sunlight (efficiency)
 - Reliability
 - Ease of installation

FRANKLIN FUELING SYSTEMS

Product Line Extensions and Geographic Expansion



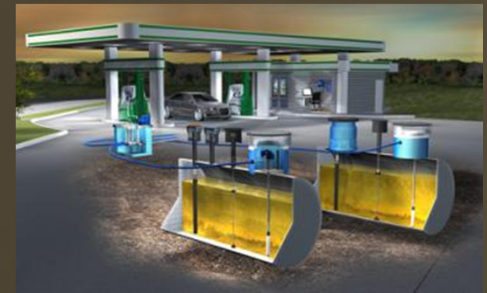
Franklin Submersible
Motor
1960s



FE Petro
Turbine Pump
1980s



FE Petro Turbine
and Drive
1990s

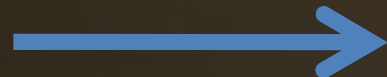


Adjacent Products
2000s

International Expansion:



Growing motor vehicle population



Installation of new technologies



FRANKLIN FUELING SYSTEMS

Annual Sales of Cars & Light Trucks

	<u>2000</u>		<u>FCST</u> <u>2010</u>	
North America	20 M	→	13 M	
China, India & Latin America	3 M	→	15 M	→ Up 500%

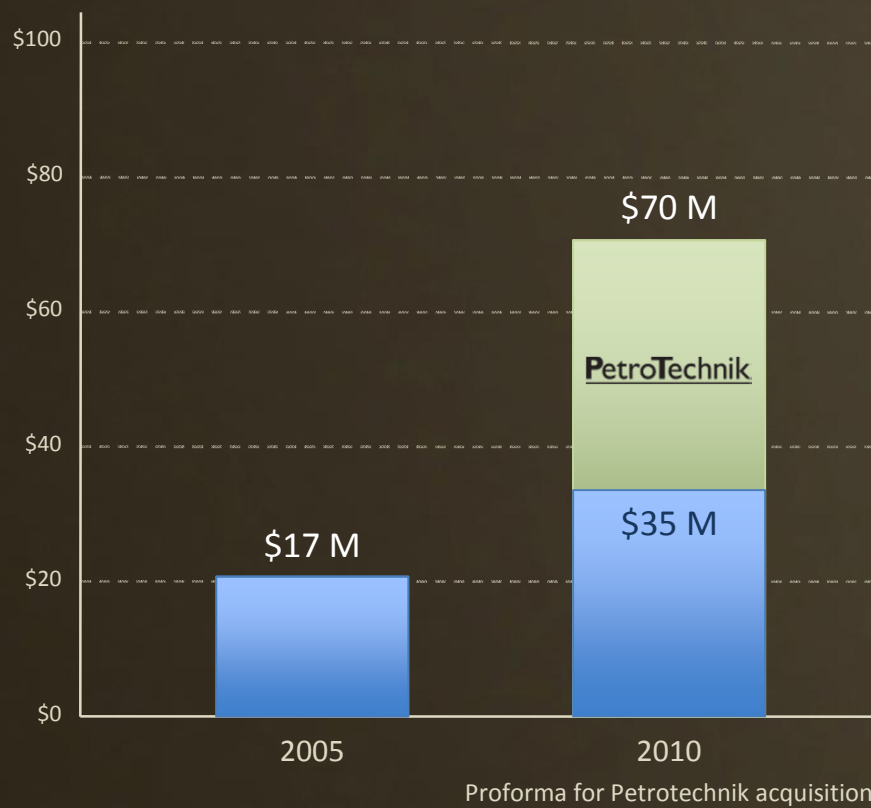
Installation of New Technologies in International Markets

	US (175,000 stations)	Rest of World (500,000 stations)
Stations with pressure pumping technology	97%	23%
Stations with vapor recovery systems	60-80% (on board)	17%
Stations with fuel management systems	75%	36%



FRANKLIN FUELING SYSTEMS

International Sales Growth



% of Franklin
Fueling Sales:

22%

45%





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