

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to the action you should take, you should immediately consult an appropriate independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in the Company, you should immediately send this document, together with the accompanying form of proxy, to the purchaser or transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**This year's Annual General Meeting will be held at 11.30am on
31 July 2008 in the Ballroom at the Berkeley Hotel, Wilton Place,
London SW1X 7RL**

Dear Shareholder,

I am writing to you firstly to outline the availability of the Annual Report and Accounts 2008 which is issued today, and secondly to explain the circular accompanying this letter.

THE ANNUAL REPORT AND ACCOUNTS 2008 IS NOW AVAILABLE

In November last year shareholders were given the opportunity to choose whether they wished to continue to receive paper copies of such documents, by post as previously, or to receive electronic communications. Shareholders who did not indicate a preference were deemed to have consented to receive notification by post of publication of such documents on the Company's website. Copies of the Report and Accounts are available to you in one of the following ways:

– A copy of the Report and Accounts is enclosed with this letter:

A copy is enclosed if you opted to receive paper copies in November last year, or if you have acquired shares recently and have not yet indicated a preference.

If you would prefer to receive electronic communications in future, you may register to do so by visiting www.computershare.com/investor/uk/ecomms

– A copy of the Report and Accounts is not enclosed with this letter:

A copy is not enclosed if you have not previously indicated a preference and are therefore deemed to have consented to receive notification by post of the publication of documents on the Halma website. If this is relevant to you, please take this letter as notice that you may now access the Annual Report and Accounts 2008 by visiting the Halma website at www.halma.com

If you would prefer to receive paper copies in future, please notify our registrars, Computershare Investor Services PLC, in writing at the following address: The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

Alternatively, if you would like to register for electronic communications, you may register to do so by visiting www.computershare.com/investor/uk/ecomms. Don't forget that you may request a paper copy of a particular document at any time by contacting us at the address at the top of this letter.

– Electronic communications:

Those shareholders who have opted to receive electronic communications and have provided a valid e-mail address will receive an e-mail alert notifying them of the availability of the Report and Accounts and circular.

CIRCULAR TO SHAREHOLDERS

The circular enclosed with this letter contains the Notice of meeting and details of two of the Special resolutions to be proposed at the Annual General Meeting on 31 July 2008, as follows:

NOTICE OF MEETING

Resolutions that shareholders are being asked to consider and vote on at the Annual General Meeting on 31 July 2008 are set out in the Notice of meeting. The Board is of the opinion that the resolutions to be proposed at the meeting are in the best interests of the shareholders as a whole and recommend that shareholders vote in favour of each of the resolutions.

ARTICLES OF ASSOCIATION (RESOLUTION 13)

The Notice of meeting includes a Special resolution to adopt new Articles of Association. This resolution is proposed in order to update the current Articles of Association (the 'Current Articles') to take account of changes in company law brought about by the Companies Act 2006. The principal changes introduced by resolution 13 are summarised in the explanatory notes set out in Appendix 1.

Copies of the new Articles of Association (the 'New Articles'), together with copies of the current Articles and a copy marked to show the changes proposed by resolution 13, will be available for inspection during normal business hours during the period from the date of this letter until the date of the Annual General Meeting at the offices of the Company's solicitors, CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD. Copies will also be available for inspection at the place of the Annual General Meeting from 15 minutes prior to the meeting until its conclusion or the conclusion of any adjourned meeting.

PERFORMANCE SHARE PLAN (RESOLUTION 14)

The Board is seeking approval to make amendments to the Performance Share Plan 2005, approved by shareholders in 2005, which will enable the Company and participants to benefit from the tax and National Insurance efficiencies afforded by an HM Revenue & Customs Approved Company Share Option Plan. Details of the proposed amendments are set out in Appendix 2.

PROXY VOTING

If you have received this letter by post, you will also have received a proxy form. You can use this form to vote on all the resolutions put to shareholders. If you prefer you may submit your proxy vote electronically, you may do so via the Computershare website www-uk.computershare.com/proxy in accordance with the instructions printed on the proxy form.

I look forward to seeing many of you at the meeting in July.

Yours sincerely,

GEOFF UNWIN
Chairman

1 July 2008

Notice of meeting

NOTICE IS HEREBY GIVEN that the one hundred and fourteenth Annual General Meeting of Halma p.l.c. will be held at the Ballroom, The Berkeley Hotel, Wilton Place, London SW1X 7RL on Thursday, 31 July 2008 at 11.30 am for the following purposes:

To consider, and if thought fit, pass the following ordinary resolutions:

- 1 To approve the Directors' Report, including the audited part of the Remuneration report, and the accounts for the period of 52 weeks to 29 March 2008.
 - 2 To declare a dividend on the ordinary shares.
 - 3 To approve the Remuneration report as set out on pages 46 to 48 of the Report and accounts for the 52 weeks to 29 March 2008.
 - 4 To re-elect as a Director E Jane Aikman¹ who was appointed in August 2007 and who retires in accordance with the Articles of Association.
 - 5 To re-elect as a Director Adam J Meyers who was appointed in April 2008 and who retires in accordance with the Articles of Association.
 - 6 To re-elect as a Director E Geoffrey Unwin² who retires from the Board by rotation and being eligible offers himself for re-election.
 - 7 To re-elect as a Director Andrew J Williams³ who retires from the Board by rotation and being eligible offers himself for re-election.
 - 8 To re-elect as a Director Neil Quinn who retires from the Board by rotation and being eligible offers himself for re-election.
 - 9 To re-elect as a Director Kevin J Thompson who retires from the Board by rotation and being eligible offers himself for re-election.
 - 10 To re-appoint Deloitte & Touche LLP as Auditors.
 - 11 To authorise the Directors to determine the remuneration of the Auditors.
 - 12 That the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £6,176,861 and that this authority shall expire on the earlier of the conclusion of the annual general meeting of the Company to be held in 2009 and the first anniversary of the passing of this resolution (unless previously renewed, varied or revoked by the Company), save that the Company may before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
- To consider, and if thought fit, pass the following special resolutions:
- 13 That the regulations contained in the document produced to this meeting and signed by the Chairman for the purposes of identification, be and are hereby approved and adopted as the new Articles of Association in substitution for, and to the exclusion of, the existing Articles of Association.
 - 14 That the Directors be and are hereby authorised to make amendments to the Halma p.l.c. Performance Share Plan 2005 (the 'Plan') (approved by shareholders at the annual general meeting held on 3 August 2005). Such amendments will consist of an addendum to the Plan taking the form of an HM Revenue & Customs Approved Company Share Option Plan ('CSOP'), plus changes to extend the permitted form of awards under the Plan to include the ability to grant Approved Performance Share Awards.
 - 15 That, subject to the passing of resolution 12 above, the Directors be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot or to make any offer or agreement to allot equity securities of the Company pursuant to the authority contained in resolution 12 above and/or sell equity securities held as treasury shares for cash pursuant to Section 162D of the Companies Act 1985, in each case as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment or sale, provided that such power shall be limited to:
 - (a) any such allotment, offer, agreement and/or sale pursuant to the terms of any share scheme for employees approved by the Company in general meeting;
 - (b) any such allotment, offer, agreement and/or sale in connection with an issue or offer (whether by way of a rights issue, open offer or otherwise) in favour of ordinary shareholders (other than the Company) on a fixed record date where the equity securities attributable to such ordinary shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held by them on such record date, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
 - (c) otherwise than pursuant to sub-paragraph (a) or (b) above, any such allotment, offer, agreement and/or sale up to an aggregate nominal amount of £1,850,000, and shall expire (unless previously renewed, revoked or varied) when the authority contained in resolution 12 above expires, save that the Company may make any offer or agreement before such expiry which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry; and the Directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of any such offer or agreement

Notice of meeting (continued)

notwithstanding that the power conferred hereby has expired; words and expressions defined in or for the purposes of Section 89 to 96 inclusive of the Companies Act 1985 shall bear the same meanings in this resolution.

16 That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 10p each (ordinary shares) provided that:

- (a) the maximum number of shares hereby authorised to be acquired is 37,000,000 ordinary shares, having an aggregate nominal value of £3,700,000;
- (b) the maximum price (excluding expenses) which may be paid for each ordinary share is an amount equal to the higher of (i) 105% of the average of the closing midmarket prices for the ordinary shares of the Company (derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date of purchase and (ii) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation; and

- (c) the minimum price per ordinary share (excluding expenses) is its nominal value and the authority hereby conferred shall expire at the conclusion of the Company's next annual general meeting (except in relation to the purchase of ordinary shares the contract for which was concluded before such date and which would or might be executed wholly or partly after such date), unless such authority is renewed prior to such time.

The Directors believe that the proposed resolutions to be put to the meeting are in the best interests of shareholders as a whole and recommend that shareholders vote in favour of all the resolutions, as the Directors intend to do in respect of their own beneficial shareholdings in the Company.

By order of the Board

C T Chesney
Secretary
Misbourne Court, Rectory Way
Amersham, Bucks HP7 0DE

1 July 2008

- 1 Denotes membership of the Audit, Remuneration and Nomination Committees of the Board.
- 2 Denotes Chairman and membership of the Remuneration and Nomination Committees of the Board.
- 3 Denotes membership of the Nomination Committee of the Board.

NOTES

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A proxy need not be a shareholder of the Company. The return of a completed proxy form will not prevent a shareholder from attending the meeting and voting in person if he/she wishes to do so.
2. A proxy form which may be used to make such appointment and give proxy instructions has been sent to all shareholders (except those who have elected to receive notice via e-mail who should refer to paragraph 4 below).
3. To appoint a proxy or proxies shareholders must complete: (a) the hardcopy proxy form, sign and return it, together with the power of attorney or other authority (if any) in hardcopy under which it is signed, or a hardcopy notarially certified of such authority, to the Company's registrars, Computershare Investment Services PLC, or (b) a CREST Proxy Instruction (as set out below), in each case so that it is received no later than 11.30am on 29 July 2008.

Alternatively, shareholders who have received a proxy form may appoint a proxy or proxies electronically via the registrar's website at www-uk.computershare.com/proxy using the Shareholder Reference Number and PIN on the proxy form. Electronic proxy appointment must be received not later than 11.30am on 29 July 2008.
4. Shareholders who have elected to receive notice via e-mail, and who have not therefore received a proxy form, may appoint a proxy or proxies electronically via the Registrar's website, www-uk.computershare.com/proxy using the Shareholder Reference Number and PIN. Electronic proxy appointments must be received not later than 11.30am on 29 July 2008.
5. In the case of a joint holding, a proxy need only be signed by one joint holder. If more than one such joint holder tenders a vote, whether in person or by proxy, the vote of the senior shall be accepted to the exclusion of the votes of the other joint holders. Seniority is determined by the order in which the names appear in the Register of Members.
6. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. If in such case a shareholder wishes to appoint more than one proxy, the shareholder should photocopy the proxy form and indicate in the box, next to the proxy's name, the number of shares in relation to which the shareholder authorises them to act as the shareholder's proxy.
7. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of rights of shareholders in relation to the appointment of proxies in paragraphs 1 to 6 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
8. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders included in the Register of Members of the Company at 6.00 pm on 29 July 2008 will be entitled to attend and to vote at the Annual General Meeting, and then only in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 6.00 pm on 29 July 2008 will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
9. As of the last practical date prior to the publication of this Notice the Company's issued share capital consists of 374,796,280 ordinary shares, carrying one vote each. After excluding the non-voting treasury shares, the total voting rights in the Company as at 17 June 2008 are 373,232,467.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members and those CREST members who have appointed any voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments set out in note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

Notice of meeting (continued)

12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
14. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that shareholder at the meeting, then on a poll, those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting, but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.
15. Copies of the Directors' service contracts or appointment letters, and of the Directors' indemnities, and a summary of any transactions during the past year by the Directors and their family interests in the Company's shares will be available for inspection during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) at the registered office of the Company and at the offices of the Company's solicitors, CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD, from the date of the above notice until 31 July 2008 and at the Berkeley Hotel from 11.15 am on the day of the meeting until the close of the meeting or the close of any adjourned meeting.
16. Full biographical information on the Directors proposed for re-election appears on pages 36 and 37 of the Annual Report and Accounts.

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE ARTICLES OF ASSOCIATION OF HALMA p.l.c.

This section explains the proposed amendments to the Company's Articles of Association to be proposed at the Annual General Meeting on 31 July 2008 (resolution 13).

1. ARTICLES WHICH DUPLICATE STATUTORY PROVISIONS

Provisions in the Current Articles (as defined in the Chairman's Letter) which replicate provisions contained in the Companies Act 2006 are in the main amended to bring them into line with the Companies Act 2006. Certain examples of such provisions include provisions as to the form of resolutions and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

2. FORM OF RESOLUTION

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being amended as the concept of extraordinary resolutions has not been retained under the Companies Act 2006.

3. CONVENING GENERAL MEETINGS

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Companies Act 2006.

4. VOTES OF MEMBERS

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles (as defined in the Chairman's Letter) reflect all of these new provisions.

5. AGE OF DIRECTORS ON APPOINTMENT

The Current Articles contain a provision requiring a Director's age to be disclosed if he has attained the age of 70 years or more in the notice convening a meeting at which the Director is proposed to be elected or re-elected. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the New Articles.

6. CONFLICTS OF INTEREST

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts where appropriate, where the articles of

association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the Directors authority to approve such situations and include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards that will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate. It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at Board meetings and availability of Board papers to protect a Director from being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors.

7. REDEEMABLE SHARES AND CONSOLIDATION, DIVISION OR SUB-DIVISION

At present, if a company wishes to issue redeemable shares it must include in its articles the terms and manner of redemption. The Companies Act 2006 will enable directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation that will take effect once the relevant provisions in the Companies Act 2006 are in force.

8. CHANGE OF NAME

Currently, a company can only change its name by special resolution. Under the Companies Act 2006 a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles will enable the Directors to pass a resolution to change the Company's name once the relevant provisions in the Companies Act 2006 are in force.

9. DIRECTORS' INDEMNITIES AND LOANS TO FUND EXPENDITURE

The Companies Act 2006 has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. The New Articles have been amended to exclude the company's power to indemnify Auditors but allowing the company to provide money for the purpose of funding a Director's defence in court proceedings. This provision now expressly covers regulatory proceedings and applies to matters in relation to associated companies.

10. GENERAL

In general, the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles.

Notice of meeting (continued)

EXPLANATORY NOTES OF CHANGES TO THE HALMA p.l.c. PERFORMANCE SHARE PLAN 2005 (Resolution 14)

The Board is seeking approval to make amendments to the Performance Share Plan 2005 ('the Plan'), approved by shareholders in 2005, which will enable the Company and participants to benefit from the tax and National Insurance ('NI') efficiencies afforded by the HM Revenue & Customs Approved Company Share Option Plan ('CSOP').

The Plan gives the Board the power to make amendments to maintain or obtain tax favourable treatment for awards under the Plan.

The proposed changes to the Plan include adding an addendum to the Plan allowing Approved Options to be granted under a CSOP plus amendments allowing the Company to grant awards under the Plan as Approved Performance Share Awards ('APSAs'). The economic value delivered under an APSA, pre-income tax and NI, is equivalent to the pre-income tax and NI economic value delivered under traditional awards under the Plan. The APSA arrangement allows the Company and the participant to benefit from the tax and NI savings afforded by the CSOP.

The APSA allows for the grant of an Approved Option plus a conditional award of shares equal in value to the exercise price of the Approved Option. To the extent that the Company wishes to grant the participant an award under the Plan in excess of the statutory limits imposed by HMRC under the CSOP, further traditional performance share awards can be granted up to the proposed award level.

The APSA will be subject to the same terms as the other forms of awards under the Plan, including the same performance conditions. The arrangements will not ultimately add any extra dilution to the Plan when compared to traditional awards.

The Board supports such amendments to the Plan on the basis that they allow the Company to reduce the costs associated with operating such a Plan, whilst continuing to deliver whole value share based awards, which was the commercial rationale for implementing the Plan as discussed with shareholders in August 2005.

The proposed amended rules will be on display and available for inspection at the offices of the Company's solicitors, CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London EC1A 4DD, from the date of the above notice until 31 July 2008 and at the Berkeley Hotel from 11.15 am on the day of the meeting until the close of the meeting or the close of any adjourned meeting.