

## Financial Highlights

	Change	2001 £m	2000 £m
<b>Turnover</b>	<b>+15%</b>	268.3	233.5
<b>Overseas sales</b>	<b>+21%</b>	181.8	150.7
<b>Profit before taxation*</b>	<b>+14%</b>	49.7	43.8
<b>Dividends</b>	<b>+15%</b>	16.6	14.4
<b>Net tangible assets</b>	<b>+15%</b>	102.9	89.8
<b>Earnings per share*</b>	<b>+13%</b>	9.52p	8.41p
<b>Net tangible assets per share</b>	<b>+14%</b>	28.5p	24.9p
<b>Profit before taxation* as a percentage of turnover</b>		18.5%	18.7%
<b>Turnover to net tangible assets</b>		2.61 times	2.60 times
<b>Return on capital employed**</b>		48.3%	48.7%

\*Before goodwill amortisation and exceptional items

\*\*Return on capital employed is defined as profit before taxation\* expressed as a percentage of net tangible assets

## Highlights of the year

- Outstanding returns and powerful cash flow generates strong organic growth and 15% dividend increase
- Continuous innovation driven by record levels of research and development
- Strengthened product focus produces growth in all business sectors
- Record profits earned across the world

### Business profile

Halma is a strongly cash generative and highly profitable group which develops, makes and markets products worldwide that are used to enhance public safety and minimise hazards at work.

Our six specialist business groupings are:

- Fire and Gas detection
- Water leak detection and UV treatment
- Elevator Electronics
- Bursting discs and sequential locking for Process Safety
- High power electrical Resistors
- Ophthalmic Optics and Specialist technology

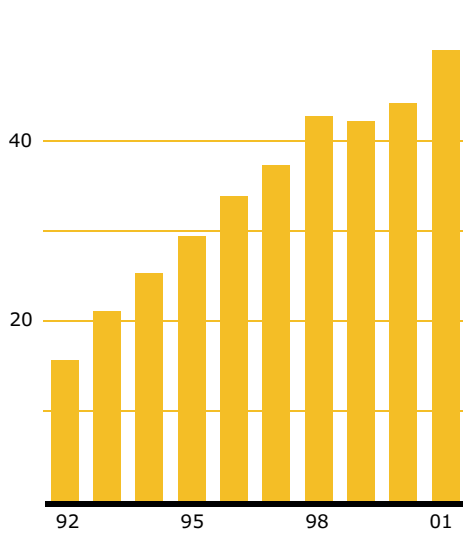
### Value creation strategy

Our over-riding objective is to create shareholder value by:

- Building global businesses that sustain a leading position in specialised markets
- Concentrating on high margin activities where products and services are differentiated on the basis of performance, not price, and where barriers to entry are high
- Tightly managing our asset base in order to maintain our outstanding operating ratios and powerful cash generation
- Investing in marketing, new product development and innovation to maintain high organic growth
- Acquiring businesses and intellectual assets that extend our existing activities, add value and will produce our exceptional operating ratios
- Maintaining a high return on capital employed to self-fund organic growth, acquisition activity and rising dividends
- Recruiting and retaining top quality management by preserving an entrepreneurial culture within a framework of rigorous financial planning, reporting and control

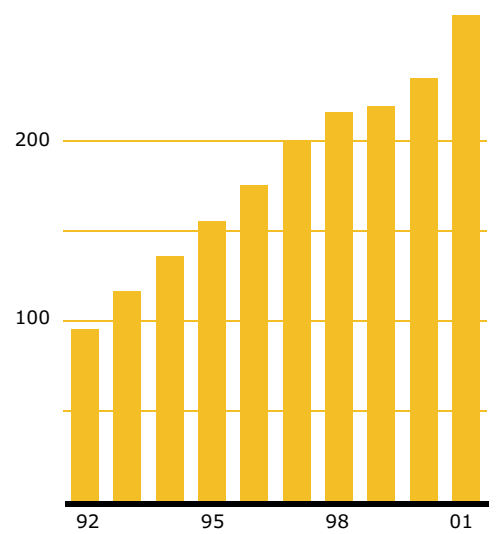
### Strong profit growth

£m



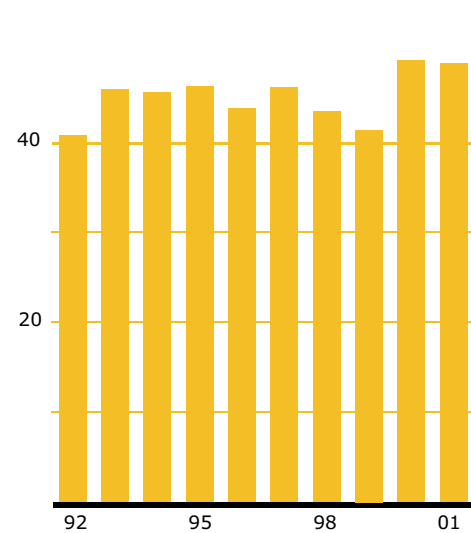
### Sales treble in 10 years

£m



### ROCE consistently above 40%

%



### Unbroken dividend growth

£m

