

We are protecting lives and improving the quality of life for people worldwide.



01_Our performance

Financial highlights	04	→ Strong organic growth Delivering good growth not only from acquisitions but widespread across the Group
Chairman's statement	05	
Chief Executive's strategic review	06	
Three sectors... one approach	08	→ A clearer strategy Reporting in three sectors each with clear strategic objectives
Products in action	10	
Business and financial review	22	
– Group overview	22	
– Sector reviews	26	→ Important acquisitions and disposals Entry made into the security market and disposal of underperforming Resistors business
Infrastructure Sensors	26	
Health and Analysis	28	
Industrial Safety	30	
– Operating environment, risks and uncertainties	32	
– Financial review	34	

02_Our results

Consolidated income statement	40	
Consolidated balance sheet	41	
Statement of recognised income and expense	42	
Reconciliation of movements in shareholders' equity	42	
Consolidated cash flow statement	43	
Accounting policies	44	
Notes to the accounts	47	→ Dividend grows further Progressive dividend policy with 5% growth and dividend cover raised
Independent Auditors' report – Group	73	
Company balance sheet	74	
Notes to the Company accounts	75	
Independent Auditors' report – Company	81	
Summary 1997 to 2006	82	

03_Our governance

Management team, Directors and advisers	86	
Report of the Directors	88	
Statement of Directors' responsibilities	90	
Corporate governance	91	→ Further strengthening of Internal Control "Warning signs" embraced across the Group stimulating positive action to reduce risk
Report on remuneration	95	
Corporate responsibility	100	
Group directory	104	
Notice of meeting	106	
Shareholder information	108	

HALMA

Halma p.l.c.
Misbourne Court
Rectory Way
Amersham
Bucks HP7 0DE

Tel: +44 (0)1494 721111
Fax: +44 (0)1494 728032
Web: www.halma.com