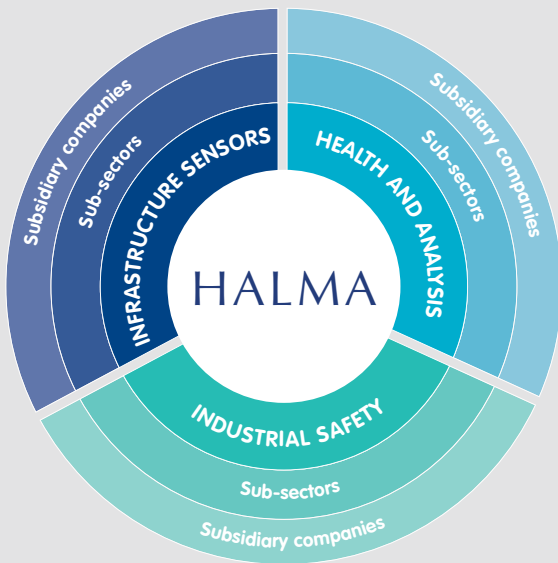


Who we are

Organisation

We are a highly decentralised organisation with an entrepreneurial and achievement oriented culture.



Each subsidiary is led by a management team who enjoy genuine autonomy and the freedom to grow in an entrepreneurial environment.

These management teams are chaired by Halma's Divisional Chief Executives who understand the market needs and can contribute broadly to the individual company's strategy in technical, operational and commercial areas.

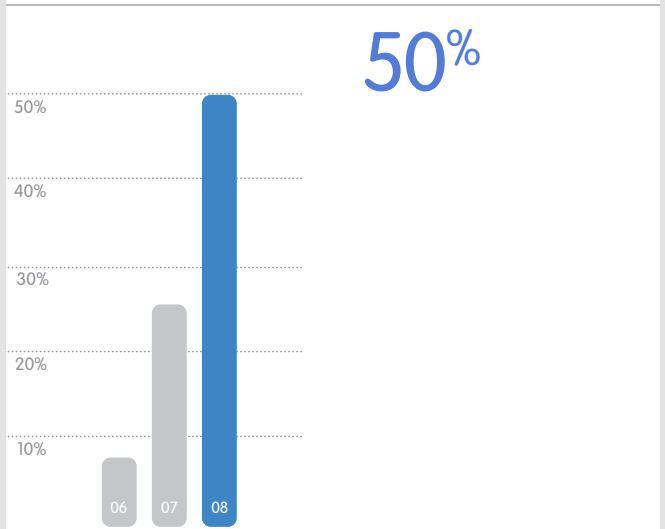
Through regular interaction between the Group's Executive Board members, common challenges and opportunities for Group businesses are identified.

Our flat operating structure provides excellent visibility of individual achievement levels.

People

We recruit and develop top quality boards to lead our businesses and offer opportunities for genuine and rapid career development.

INVESTMENT IN TRAINING CUMULATIVE % OF SUBSIDIARY DIRECTORS AND MANAGERS WHO HAVE COMPLETED HEDP* OR HMDP**



Halma's success relies on building strong management teams at subsidiary companies. This demands a rigorous approach to both recruitment and people development.

We have in-house training programmes for subsidiary directors and managers. These programmes help our people to be more successful in their current roles so that their achievements will create

opportunity for further career development.

Halma's Executive Board actively manages the development of individuals among our top 200 subsidiary directors and managers.

Almost all Executive Board members and all executive Directors have been appointed through internal promotion.

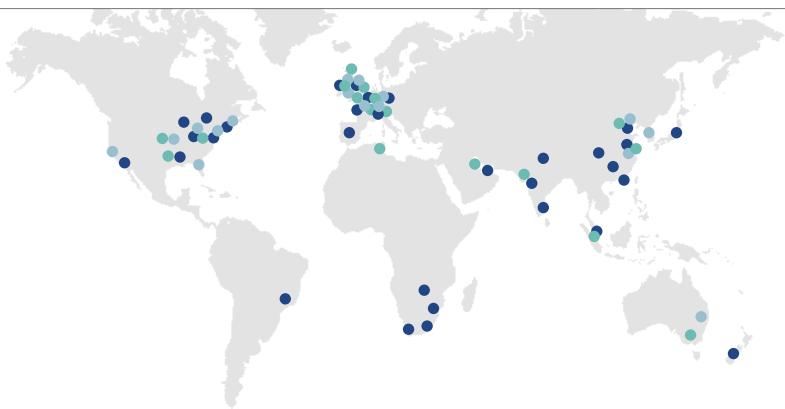
* Halma Executive Development Programme

** Halma Management Development Programme

WHERE WE OPERATE

Halma is made up of three sectors with operations in over 20 countries.

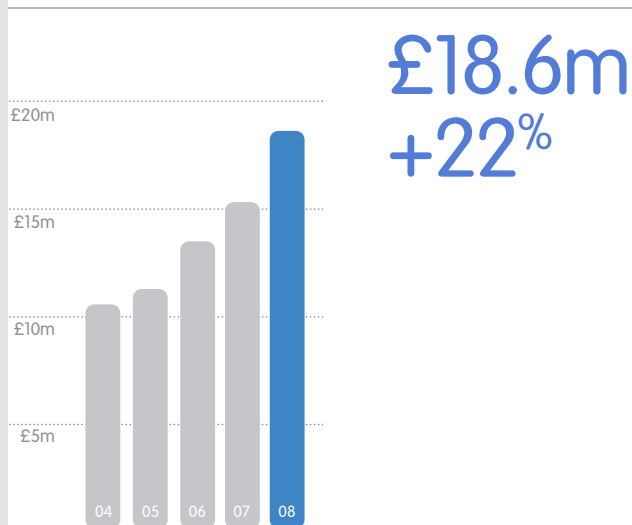
- Infrastructure Sensors
- Health and Analysis
- Industrial Safety



Products

Our products provide innovative solutions for many key issues facing the world today.

RESEARCH & DEVELOPMENT EXPENDITURE



The quality and performance of our products are key to our long-term success. We create products where the value to our customers is significant relative to cost. Often our products are critical components within the customer's larger system or process. Many of our products are the world market leading brands in their niche. Much of

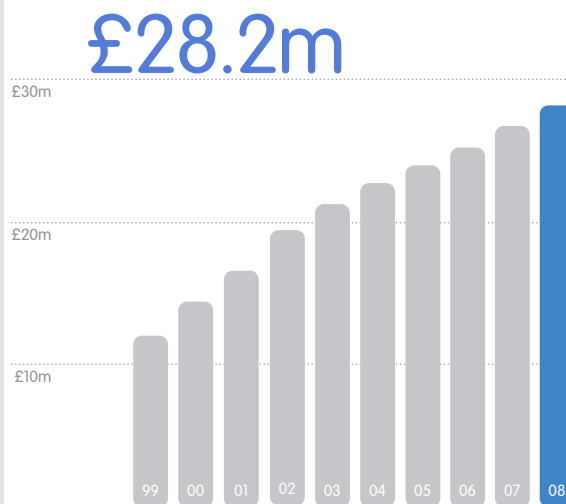
our intellectual property comes from application know-how built up over many years.

Research and development (R&D) plays an important role in ensuring that our products remain competitive. Increasingly Halma companies are sharing technical know-how and collaborating to meet customer needs.

Performance

We have a strong track record of sustained value-creation.

TOTAL DIVIDENDS PAID AND PROPOSED



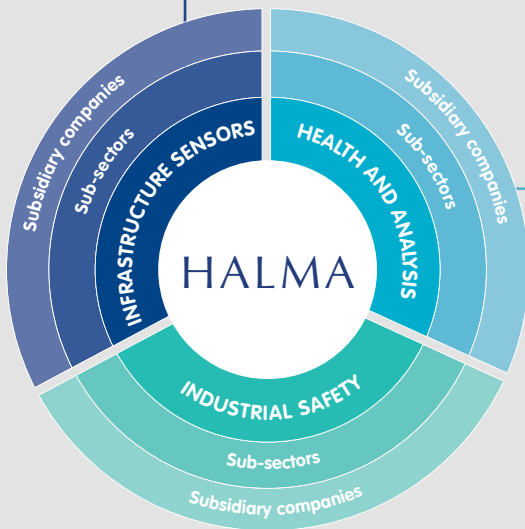
Our aim is to deliver growth and high returns, and to create value for shareholders each year. This has resulted in us building a track record of sustained success over more than 30 years.

We are highly cash generative and use this cash to sustain organic growth, expand through

acquisition and provide a growing dividend to shareholders.

We have increased our dividend in each of the past 29 years. Our dividend record is unrivalled on the London Stock Exchange.

What we do



SECTORS

Infrastructure Sensors

Detecting hazards and protecting people and property in buildings.

PROFIT* CONTRIBUTION



£29m
38%

Health and Analysis

Improving public and personal health; protecting the environment.

PROFIT* CONTRIBUTION



£28m
37%

Industrial Safety

Protecting property and people at work.

PROFIT* CONTRIBUTION



£19m
25%

* See note 1 to the accounts

SUB-SECTORS

FIRE DETECTION



We make fire and smoke detectors and audible/visual warning devices. We are the world's second largest manufacturer of point smoke detectors used in public and commercial property.

SECURITY SENSORS



We have a strong presence in this strategically important and fast growing market. We are market leaders in the UK and South Africa for security sensors used in public and commercial property.

AUTOMATIC DOOR SENSORS



We are the world's largest manufacturer of sensors used on automatic doors in public and commercial buildings.

ELEVATOR SAFETY



We are the world's largest manufacturer of elevator/lift door safety sensors. We also make emergency communication devices, displays and control panels for elevators.

WATER



We are the world leaders in monitoring and finding leaks in underground water pipelines and among the world leaders in UV technology for disinfecting and treating water.

PHOTONICS



We have market leading technologies and products which generate, measure and condition light and analyse the interaction of light with substances.

HEALTH OPTICS



We make handheld devices used to assess eye health, diagnose disease and assist with eye surgery as well as diagnostic devices for general medical applications.

FLUID TECHNOLOGY



We make critical components such as pumps, probes, valves, connectors and tubing used by scientific, environmental and medical diagnostic OEMs for demanding applications.

GAS DETECTION



We make portable instruments and fixed systems which detect flammable and hazardous gases.

BURSTING DISCS



We make 'one time use' pressure relief devices to protect large vessels and pipework in process industries.

SAFETY INTERLOCKS



We make specialised mechanical, electrical and electromechanical locks which ensure that critical processes operate safely.

ASSET MONITORING



We make products for monitoring physical assets above ground, below ground and under water using innovative sensor and communications technologies.